



CITY COUNCIL MEETING
Wednesday, November 6, 2024 at 7:00 PM
Council Chambers, City Hall at 540 West Hills Circle
Roll Call: Council Members Dotson, Burbank, Boeke,
Raney, Svenby, Voss & Schultz

PLEASE NOTE: At 5:00 p.m. Council will meet in a Study Session in Council Chambers, City Hall at 540 West Hills Circle. There will be a discussion with Steve Grubish, Fireworks Committee Chair, Early Edition Rotary - Owatonna regarding fireworks funding. Then, Chris Ziemer, ICS, will provide updates for a Public Safety Center with discussion about potential locations and plans. If time permits, there will also be updates on various boards and commissions.

1. INTRODUCTORY ACTIONS: Call to Order; Roll Call and Pledge of Allegiance

- 1.1. Council Agenda
- 1.2. Public Hearing - Proposed Assessments - Unpaid Costs - 2023-2024 Snow Removal
 - 1.2.1. Resolution 112-24 Adopt Proposed Assessments - Unpaid Costs - 2023-2024 Snow Removal
- 1.3. Mayor Kuntz
 - 1.3.1. Proclamation - Deca Week - November 11-15, 2024
 - 1.3.2. Accept Letter of Resignation - Park Board Member Jonathan Douglas
 - 1.3.3. Recommend Appointment to EDA - Brian Savage

2. CONSENT AGENDA ITEMS

- 2.1. Minutes – Council Meeting – October 15, 2024
- 2.2. Board/Commission Minutes
 - 2.2.1. OPU Commission Meeting - September 22, 2024
- 2.3. Department Reports:
 - 2.3.1. Fire - Monthly Dashboard and Activity Report - September 2024
 - 2.3.2. Weed/Nuisance Inspection Report - October 29, 2024
- 2.4. Miscellaneous
 - 2.4.1. Senior Nutrition Program Lease Agreement - SEMCAC
 - 2.4.2. Facility Use Agreement - Owatonna Church of Christ
 - 2.4.3. Lease Agreement - Steele County Healthy Seniors
 - 2.4.4. Donation - Corky's Early Bird Softball Tournament 2024
 - 2.4.5. Photography Contract - Aaron Guzman Photography
 - 2.4.6. Independent Contractor Agreement - Yoga and Pilates Instructor - Denise Stewart
 - 2.4.7. Maintenance Agreement - City Wide - MEI Total Elevator Solutions (MEI)

3. ACTION ITEMS

3.1. Finance Report

3.2. Ordinances

3.2.1. First Reading Ordinance 24-5: Update Chapter 52, Storm Water Utility

3.2.2. First Reading Ordinance 24-6: Amend Section 94.079, Underground Facility Maintenance and Repair

3.3. Resolutions:

3.3.1. Resolution 113-24: Hazardous Property - 328 N Pine Ave

3.3.2. Resolution 114-24: Hazardous Building - 304 Highland Ave NW

3.3.3. Resolution 115-24: Labor Agreement - Minnesota Public Employees Association - Police Officers

3.3.4. Resolution 116-24: Labor Agreement - Minnesota Public Employees Association - Sergeants

3.3.5. Resolution 117-24: Revised Personnel Policy Manual

3.4. Miscellaneous

3.4.1. Compensation Adjustments - Non-Union Employees

3.4.2. HealthiestYou Service Agreement

4. STAFF REPORTS

5. PUBLIC COMMENTS: Please limit comments to 2 minutes. Please approach the microphone, sign-in and state your name and address for the record after being acknowledged by the Council President. Speakers will be limited to two minutes to deliver their comments. Those speaking are asked to conduct themselves in a respectful manner as they deliver their comments. Audience members are asked to refrain from reacting to comments. The City Council will not respond directly to comments in this venue or take immediate action in response to them.

6. COUNCIL COMMENT AND GENERAL INFORMATION

7. ADJOURN

NOTICE OF HEARING ON PROPOSED ASSESSMENT

NOTICE IS HEREBY GIVEN that the City Council of the City of Owatonna, Minnesota, will hold a hearing at a regular City Council meeting to be held at 7:00 p.m. on Wednesday, November 6, 2024 in the Chambers of the Charles S. Crandall Center at City Hall, 540 West Hills Circle, to pass upon the proposed assessments against benefited properties for the 2023-2024 Sidewalk Snow Removal on various lots in the City.

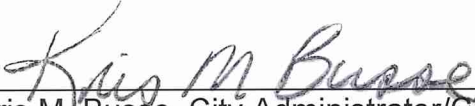
The proposed assessments are on file for public inspection at the office of the City Clerk. Written or oral objections will be considered at the hearing. If you have a question or believe that the measurements or calculation is in error, we would appreciate it if you would call the City Engineer's Office or the City Clerk's Office to discuss the proposed assessment before the hearing.

An owner may appeal an assessment to District Court pursuant to Minnesota Statutes, Section 429.081, by serving notice of the appeal upon the Mayor or Clerk of the City within 30 days after the adoption of the assessment and filing such notice with the District Court within ten days after service upon the Mayor or Clerk. No such appeal as to the amount of an assessment to a specific parcel of land may be made unless the owner has either filed a signed, written objection to that proposed assessment with the City Clerk prior to the hearing or has presented the written objection to the presiding officer at the hearing.

Total costs proposed for assessment for assessment of snow removal charges are \$834.80.

The City Council has provided that anyone 65 years of age, or older, owning and occupying a homestead, may ask for and receive deferment of a special assessment against that homestead if that person meets the criteria established by the Council on April 2, 2012. Forms for requesting this deferment are available at the office of the City Clerk.

Dated: October 1, 2024


Kris M. Busse, City Administrator/City Clerk
City of Owatonna, Minnesota



DATE: November 6, 2024
TO: Mayor and City Council
FROM: Sean Murphy, Public Works Director
SUBJECT: Resolution 112-24 Adopt Proposed Assessments - Unpaid Costs - 2023-2024
Snow Removal

Purpose:

Requesting Council approval of Resolution 112-24 to adopt the Delinquent Snow Removal Account Assessments. The assessments are for unpaid sidewalk snow-clearing fees incurred during the 2023-2024 Winter Season.

Background:

Pursuant to City Ordinance 94.005, property owners or occupants are responsible for removing snow and ice from sidewalks adjacent to their property within 24 hours of accumulation. Inspections are completed on a complaint-received basis. Written notices are provided for those found to be non-compliant, additional inspections are completed and properties that have not been cleared are subject to snow removal under the direction of the City Engineer. Contractor and administrative fees are billed to the property owner. Unpaid invoices are subject to assessment.

Resolution 101-24 declared delinquent snow removal account costs to be assessed to the property owners and Resolution 102-24 set the public hearing date for November 6, 2024. Property owners were mailed hearing notices on October 22, 2024, and the hearing notice was posted as required.

Following the declaration of cost and setting the Public Hearing Date, a payment totaling \$485.00 was received. An updated Assessment Roll is attached to reflect this payment received.

Budget Impact:

The City of Owatonna will collect the adopted assessments in the amount of \$339.80 as reimbursement for expenses incurred as provided by our policy and state statute. The recommended interest rate is 6% with a repayment term of one year.

Staff Recommendation:

Staff recommends approval.

Attachments:

1. Res 112-24 Adopt Assessment - 2023-2024 Snow Removal
2. 2024 Unpaid Snow Removal Invoices

RESOLUTION NO. 112-24

A RESOLUTION ADOPTING ASSESSMENT

WHEREAS, pursuant to proper notice duly given as required by law, the Council has met and heard and passed upon all objections to the proposed assessment against abutting properties for the cost of the 2023-2024 Delinquent Snow Removal Accounts.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Owatonna, Minnesota:

1. Such proposed assessment as amended, a copy of which is attached hereto and made a part hereof, is hereby accepted and shall constitute the special assessment against the lands named therein, and each tract of land therein included is hereby found to be benefited by the proposed improvement in the amount of the assessment levied against it.

2. Such assessment shall be payable in equal annual installments extending over a period of 1 (one) year, the first of the installments to be payable on or before the first Monday in January 2025, and shall bear interest at the rate of 6 (six) percent per annum from the date of the adoption of this assessment resolution. To the first installment shall be added interest on the entire assessment from the date of this resolution until December 31, 2025. To each subsequent installment, when due, shall be added interest for one year on all unpaid installments.

3. The owner of any property so assessed may, at any time prior to certification of the assessment to the county auditor pay the whole of the assessment on such property, with interest accrued to the date of payment, to the City Finance Department, except that no interest shall be charged if the entire assessment is paid within 30 days from the adoption of this resolution; and he/she may, at any time thereafter, pay to the county auditor the entire amount of the assessment remaining unpaid, with interest accrued to December 31st of the year in which such payment is made. Such payment must be made on or before December 6, 2024, or interest will be charged through December 31 of the next succeeding year.

4. The clerk shall forthwith transmit a certified duplicate of this assessment to the county auditor to be extended on the property tax lists of the county. Such assessments shall be collected and paid over in the same manner as other municipal taxes.

Passed and adopted this ____ day of _____, 2024, with the following vote:

Aye ____; No ____; Absent ____.

Approved and signed this ____ day of _____, 2024.

ATTEST:

Thomas A. Kuntz, Mayor

Kris M. Busse, City Administrator/City Clerk

2023-2024 Unpaid Winter Sidewalk Snow Removal Violation Charges						
Record #	PIN	Address	Owner Name	Admin Charge	Contractor Charge	Invoice Total
SNOW-24-5	17-101-0713	820 GROVE AVE S	SMITH REAL ESTATE	\$ 40.00	\$ 145.00	\$ 185.00
SNOW-24-8	17-021-1106	1830 S CEDAR AVE	LEE HOLDING GROUP LLC	\$ 40.00	\$ 299.80	\$ 339.80
						\$ -
				\$ 40.00	\$ 299.80	\$ 339.80



CITY OF
OWATONNA

Mayor Kuntz



DECA Week Proclamation

November 11 - November 15, 2024

WHEREAS, this school is concerned with the business education and training of students for productive, satisfying careers; and

WHEREAS, DECA is recognized by the United States Department of Education as a national career and technical student organization and an integral part of career and technical education; and

WHEREAS, DECA is helping to develop leadership abilities, competency in business, marketing, and entrepreneurship, and interest in the American business system;

NOW, THEREFORE, I do hereby designate November 11 - December 15, 2024, as DECA WEEK and urge all citizens to assist in according this observation the attention and importance it is so rightly entitled.

Signed _____
Owatonna, MN Mayor

Signed _____
DECA President, Owatonna High School Chapter



DATE: November 6, 2024
TO: Mayor and City Council
FROM: Mayor Tom Kuntz
SUBJECT: Accept Letter of Resignation - Park Board Member Jonathan Douglas

Purpose:

Request Council accept the Letter of Resignation received from Park Board Member Jonathan Douglas.

Background:

Jonathan Douglas was originally appointed to the Park Board in May 2020 and last year reappointed to another three-year term. We received a Letter of Resignation, advising his current schedule doesn't allow him the time he feels needed to effectively serve on this board.

Budget Impact:

None, Park Board members volunteer their service.

Staff Recommendation:

Staff recommends approval and application will be posted to fulfill the remainder of his current term which expires April 30, 2026.

Attachments:

None



DATE: November 6, 2024
TO: Mayor and City Council
FROM: Mayor Tom Kuntz
SUBJECT: Recommend Appointment to EDA - Brian Savage

Purpose:

Request Council approve my recommendation to appoint Brian Savage to the Economic Development Authority (EDA).

Background:

An EDA member's appointment expired September 30th and an application has been posted for a new member. Council Member Raney participated in the phone interview and a successful background verification was completed with no objection to this appointment. This will be a six-year appointment to be effective until September 30, 2030.

Budget Impact:

None, EDA members are volunteers.

Staff Recommendation:

Staff recommends approval.

Attachments:

None



CITY OF
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Council Minutes

Owatonna City Council Minutes
October 15, 2024 – DRAFT COPY

On Tuesday, October 15, 2024, at 7:00 p.m., Council President Schultz called the regular session of the Owatonna City Council to order in the Chambers of the Charles S. Crandall Center. Present were Council Members Svenby, Voss, Dotson, Burbank, Boeke, Raney and Schultz; Mayor Kuntz, Public Works Director Murphy; Community Development Director Klecker; Fire Chief Hoffman; Finance Director Burns; IT Technician Specialist Enz; City Attorney Walbran; City Administrator Busse; Assistant City Administrator Tuma and Administrative Coordinator Clawson.

Following the Pledge of Allegiance, Council President Schultz welcomed everyone to the meeting and advise Item 2.5.4 includes two documents with American Engineering Testing for the Vine Street Parking Lot, but only one was listed on the agenda when posted. The agenda has been changed to show both documents: Geotechnical Services Agreement and Contract Change Order #1. Council Member Svenby made a motion to approve the agenda with this change, Council Member Burbank seconded the motion, all members voted aye in approval.

Recommendations for Appointments: Owatonna Public Utilities Ba West Hills Commission and Human Rights Commission

Mayor Kuntz advised the application process with phone interviews was completed to fill an opening on the Owatonna Public Utilities Commission representing the Third Ward. He made recommendation that Sharon McClane be appointed to fulfill the remainder of the current term to expire April 30, 2027 when she would be eligible for reappointment to a new five-year term. Council Member Boeke made a motion for approval, Council Member Voss seconded the motion, all members voted aye for approval. Sharon Mc Clane was present to receive the Oath of Office administered by Mayor Kuntz.

Public Hearing – Establish Development District 20, Tax Increment Financing (TIF) No. 20-1, Approve the TIF Plan and the Interfund Loan and Development Agreement – 811 E School Street

Council President advised there will be a public hearing for comments regarding the redevelopment of property at 811 E School Street, Modern Aire Apartments. Community Development Director Klecker advised Stadheim Properties of Owatonna, LLC is proposing to redevelop this site into a 73= unit apartment building with 19 tuck under garages. The project would include 53 market rate apartments and 20 affordable apartments. The developer is requesting the use of tax increment financing to assist with the costs of redeveloping the site and keeping 20 units affordable for the duration of

the TIF district. The city also assisted the project in acquiring a workforce housing grant through the State. Included in the resolution is approval for an interfund loan and the development agreement. The city would not be contributing anything to the project upfront. Like always, it would be a "pay as you go" TIF where we would reimburse the developer property taxes that have been paid on the new project. The total TIF amount is \$4,769,624 with a present-day value of \$2,424,075. The TIF district will be up to 26 years. The city has incurred some consulting costs that will be reimbursed through the TIF.

At 7:06 pm, the public hearing was opened. With no comments heard, at 7:07 Council Member Raney made a motion to close the public hearing. Council Member Dotson seconded the motion, and all members present voted aye in approval.

Resolution 107-24: Establish Development District 20, Tax Increment Financing (TIF) No. 20-1, Approve the TIF Plan and the Interfund Loan and Development Agreement – 811 E School Street

Council Member Boeke made a motion to approve Resolution 107-24 establishing DD District #2, TIF No. 20-1, approving the TIF Plan, Interfund loan and Development Agreement. Council Member Dotson seconded the motion, all members voted aye in approval.

Public Hearing – Proposed Assessments - Unpaid Costs for Nuisance Compliance

Fire Chief Hoffman advised The Owatonna Fire Department enforces the city codes for mowing weeds and grass, other harmful vegetation, and other services by using a mowing service to bring noncompliant properties into compliance. This Assessment Roll currently includes nine parcels with a total of proposed assessment of \$1,640.15. The recommended term of repayment was set at one (1) year at an interest rate of six (6.0) percent per annum. These assessments will reimburse the city for costs of weed and nuisance enforcement. The City's share of these costs will be \$0.

At 7:09 p.m., the public hearing opens. With no comments heard, at 7:10 p.m. Council Member Raney made a motion to close the public hearing. Council Member Svenby seconded the motion, and all members present voted aye in approval.

Resolution 108-24: Adopt Assessments - Unpaid Costs for Nuisance Compliance

Council Member Dotson made a motion to approve Resolution 108-24 adopting the proposed assessments with an annual interest rate of six (6.0) % and term of payment

set at one year. Council Member Voss seconded the motion, all members voted aye in approval.

Consent Agenda Items

Council President Schultz explained council members review the Consent Agenda items prior to the meeting for approval in one motion. Consent Agenda items for this meeting include:

- Minutes – Council Meeting – October 1, 2024

- Human Rights Commission Meeting – September 10, 2024

- Planning Commission Minutes – October 8, 2024

- Building Inspections Monthly Report- September 2024

- Weed/Nuisance Inspection Report – October 8, 2024

- Event Permit – Bethel Church Turkey Trot – November 28, 2024

- Temporary Liquor Permit – Owatonna Arts Center Fall Wine Tasting – November 14, 2024

- Temporary Liquor Permit – Night at Kibble Equipment – MSB – November 21, 2024

- Extension of Liquor License Premises – Eagles #1791- new patio area

- One-year Agreement – Facility Generator Maintenance – Cummins Sales & Service

 - The City has eight backup generators at key government buildings;

 - Airport

 - City Hall

 - Fire Hall

 - Law Enforcement Center

 - Library

 - Mechanic shop

 - Waste Water Treatment Plan (WWTP) (2 units)

 - The Facilities Department is responsible for managing each unit's annual inspections and service to ensure they are ready for use in case of a power outage.

 - This is a one-year agreement to provide service for these specific sites when a five-year agreement will be proposed to consolidate all sites into a single five-year agreement. This annual preventative maintenance agreement provides inspections twice yearly: for full service in the fall and inspection in the spring.

- Three-year agreement – Kitchen Hood Cleaning and Fire Suppression Service – Summit Fire Protection

 - The City has four commercial kitchen hood systems in City-owned facilities;

 - Art Center Kitchen

 - Brooktree Clubhouse

 - Social Commons

 - Wee Pals (service provided)

The State of Minnesota requires cleaning once a year and fire suppression inspection twice yearly. To ensure this work is completed as required by the State, the Facilities Department will coordinate the service and charge the tenants the expenses.

Preventative Maintenance Agreements – HVAC Boilers – Davis Mechanical

The City has twenty HVAC boilers within city-owned facilities.

- Animal Shelter (1)
- Art Center (2)
- City Hall (6)
- Fire Hall (2)
- Library (4)
- Merrill Hall (2)
- River Springs Water Park (2)
- Tennis Center (1)

This preventative maintenance includes inspecting the burners, belts, bearings and heating components. The three-year agreements include a 3% annual price increase.

Geotechnical Services Agreement and Contract Change Order #1 – Vine Street

Parking Lot – American Engineering Testing

Additional services for geotechnical exploration and engineering review were necessary to evaluate the feasibility of constructing the stormwater infiltration basin at the Vine Street parking lot. The scope of the service included geotechnical exploration to evaluate soils beyond the limits originally explored near the proposed infiltration structure, which was completed in 2023. In addition to the exploration and evaluation, infiltration testing was required to measure the infiltration rates to ensure the stormwater infiltration system meets applicable requirements. The cost of the additional geotechnical exploration is \$4,890 and the infiltration testing is \$2,910.75 for a total agreement amount of \$7,800.75.

Renew Parking Lot Lease – W Main Street – Brian and Susan Stendel

This lot has 24 parking spaces and is signed for public parking and usually full every day. The city would be responsible for clearing snow in the parking lot. The property owner is responsible for clearing snow on the rest of the private property. This lease agreement would end April 20, 2025. The terms of the lease call for the same rate as last year of \$23.00 per stall per month, a total of \$3,312 paid by the EDA.

Council Member Boeke made a motion to approve these Consent Agenda items, Council Member Burbank seconded the motion and all members voted aye in approval.

Finance Report

Council Vice President Raney recapped payments made for amounts greater than \$20,000 during this period.

\$ 73,078.74 Crane Creek Asphalt - asphalt
46,756.54 Owatonna Motor Company - 2024 Ford Ranger - park maint - u# 24433
188,608.00 Towmaster - Western Star Tandem Plow build - u# 25225
271,872.16 Other Expenditures
580,315.44 Subtotal
106,505.48 HRA Housing Assistance Payments
\$686,820.92 Total Expenditures presented for approval

Council Member Voss made a motion to approve payment of all bills presented, Council Member Boeke seconded the motion, all members voted aye for approval.

Resolution 109-24 Preliminary and Final Plat of Aire Apartments Addition

Community Development Director Klecker advised Darrin Stadheim, Stadheim Properties of Owatonna, LLC, has requested preliminary and final plat approval of Aire Apartments Addition, a two lot and one out lot plat. The plat will replat property at 605 Hillcrest as well as the to be demolished Aire Apartments. Previously during this meeting, a public hearing was held to consider this as a TIF project and this next resolution, Resolution 110-24, is to approve a Conditional Use Permit for this project. The lots are currently occupied by businesses and vacant buildings as they prepare for this project. The Planning Commission held a public hearing regarding this request and neighbors expressed concerns there have been subwater issues in this area. A city drainage project was previously completed an engineer drainage project and there will be a stormwater pond on this property. Another concern was access to the site, there is no access off Bixby or School St at the intersection, so all access is off Hillcrest.

Council Member Voss commented he attended the Planning Commission Meeting and also owns property in this area. The previous city project has improved drainage in this area and he believes will be good for the area.

Council Member Boake made a motion to approve Resolution 109-24 as recommended by the Planning Commission. This recommendation includes these conditions:

1. That said plat is in accordance with and conformity to the plans and regulations established by the City for a comprehensive plan for the development of the City.
2. That said plat be and the same hereby is approved with the following conditions:

- a) The title opinion shall be approved by the City Attorney prior to recording of the final plat.
 - b) A shared parking, access, and maintenance agreement shall be recorded with the plat.
 - c) A public drainage easement shall be added to the plat to cover the overland flow from offsite so the City can ensure any future modification or grading is reviewed and approved
3. That the Clerk cause a certified copy of this resolution to be filed in the office of the County Recorder of Steele County, Minnesota, and to be given to the applicants of said plat.

Council Member Dotson seconded the motion, all members voted aye in approval,

Resolution 110-24 Conditional Use Permit 17 – Modern Aire Apartments

Community Development Director Klecker requested approval of Resolution 110-24 for authorization of CUP #17. A conditional use permit is required because the height of the proposed structure is four floors. If constructed three stories high, a conditional use permit would not be required but there would be additional setbacks needed. The Planning Commission is recommending this CUP be approved with these conditions:

- a) All exterior signage shall meet all provisions of the sign ordinance and shall apply for and receive sign permits.
- b) Prior to issuance of the building permit, the City and Owatonna Public Utilities shall approve all grading, drainage, and utility plans.
- c) A joint parking, access, and maintenance agreement will be required to be recorded along with the plat.
- d) A total of four trees shall be provided along Hillcrest Avenue north of the access point to meet code requirements.

Council Member Boeke made a motion for approval, Council Member Svenby seconded the motion, all members voted aye in approval.

Resolution 111-24 2050 Comprehensive Plan - IMAGINE OWATONNA

Community Development Director Klecker commented that over the last 18 months, Stantec, our consultant, has been working to create a comprehensive plan for the city. There has been extensive community engagement including twelve open houses, events at the high school and Downtown Thursday events. Several surveys were sent and results compiled as the prepared this plan. The plan combines several existing plans into one document, He thanked everyone in the community and the Planning Commission for all their input during this process. Phil Carlson, Associate at Stantec was introduced and commented the downtown area is the heart of this community. They received a lot of comments about the city's economic development, parks and trails, transportation, and housing. Your residents want the right kind, price and location of available housing. This is a textbook plan, prepared by engaging the community. Council Member Voss

made a motion to approve Resolution 111-24 adopting the 205 Comprehensive Plan, Council Member Voss seconded the motion, all members voted aye in approval. Council Member Boeke commented he appreciates all the citizen input received and participation in the open house events to which Klecker commented that the work hasn't really started, there will be a lot of work to do.

Change Order #16 – Waste Water Treatment Facility Project – Rice Lake Construction Group

Public Works Director Murphy requested approval of Change Order #16 for the Waste Water Treatment Facility Expansion Project. This change order consists of eleven WCDs Work Change Directives. WCDs are created to address construction issues, design clarifications, and interdisciplinary coordination, or errors and/or omissions:

- 94 - Additional Eyewashes for the Membrane Bio Reactor Chem Room
- 95 - Fiber Loom Revision
- 96 - Fire Alarm Submittal Comments
- 97 - Additional Exterior Doors
- 98 - Weld Plates over Secondary Digester Roller Box Openings
- 99 - Caulk existing construction joints in the Secondary Digester
- 100 - Additional Sidewalks
- 102 - Fine Screen Building and Main Lift Station Waste Drains
- 103 - Hydronic Pump Control Changes
- 104 - Additional Interior Admin Doors
- 105 - Main Lift Station Fiberglass Door

The cost of this change order will increase the contract amount by \$202,203.73 for a revised total of \$57,308,600.46. The project is just a little more than halfway complete and cost adjustments have totaled 2.8% over the original contract. One percent of this amount was caused by price escalations. The contractor and project engineer, Nero have made purchases at ideal times to keep costs down; usually a project this size and design process incurs change orders within 5% of the original contract. The project is also on track for timely completion. Council Member Raney made a motion to approve Change Order #16, Council Member Voss seconded the motion, all members voted aye in approval.

STAFF COMMENTS

Fire Chief Hoffman commented October is Fire Prevention Month and they have been busy at the Firehall. He encouraged everyone to check their home fire alarms, most fire alarms have a 10-year life span and replacement if not properly working. He has been working with Human Resources to fill the position of Assistant Fire Chief/Fire Marshall. Also, in the process of an internal promotion to Fire Commander, the fourth commander within the department. He thanked Park and Rec staff for assisting at the

annual open burn at the Leo Rudolph Nature Reserve, last night. He then thanked the Owatonna Exchange Club for hosting the annual Firefighter Recognition/Firefighter of the Year Banquet last week at which Ben Staska was recognized as the 2024 Firefighter of the Year. This is the second year the Owatonna Public School has offered a course for firefighters, there are close to 20 students participating this year.

Community Development Director Klecker commented that the construction season has started to wind down but has been continuing with recent warmer weather. Year-to-date valuation of construction permits is \$82 million, there have been eight new single-family home permits. Another home permit is ready and there are several more in review. This year's numbers are lower than last year; this is similar to what other cities have also seen. Many projects are in process: West Lake Meadows (apartments behind Kohl's); the Ascend project; West Bank; Steele County Humane Society; Steele County Correctional Office; MSB Brewery; Steele County Admin Office; Marthaler Honda; and Scooters.

Public Works Director Murphy commented he recently attended a follow-up meeting to the Neighborhood Meeting on N 24th Avenue regarding speeding traffic with Police Captain Mundale, and Council Members Voss and Svenby. Continues progress on the WWTF Expansion Project. Paving started in the 2024 Street & Utility Project so this project will be done soon. All underground infrastructure is in place for the Vine Street Parking Lot Project, now working through the removal of the old pavement and hopefully new concrete poured next week.

Assistant City Administrator Tuma commented the position vacated by the Facility Manager in July will be filled on November 4th by the new manager. Interviews are in process for a new Park and Rec Director. Summer is ending and outdoor water was turned off today in most parks.

PUBLIC COMMENTS

Melissa Zimmerman, 2525 Stony Creek Drive, commented that noise pollution can increase stress levels and health concerns. Her family is very vulnerable and the impact of locating the east-side corridor close to their home could impact them with severe and life threatening conditions. She requested the council continue conversations to select an alternative route which will protect current residents,

Gary Jones, 995 Ridge Road, commented he e-mailed a draft of the deer management plan used by Ramsey County and other cities in the metro area. Their plan is similar to Owatonna's plan but differs with two separate hunting seasons and a three-week separation period; Owatonna offers two seasons over 56 continuous days. He believes the city would eliminate a lot of liability by reducing the length of hunting season. Council Member Schultz acknowledged receipt of his e-mail for consideration in preparing the 2025 Deer Management Program.

Kurt Welker, 2045 Deer Trail Lane NE commented his company purchased lots remaining in the Shore Heights Development and have incurred costs to replace a lost drainage plan. He has plans ready to go for several homes but hasn't requested building permits because he's not sure if he will recover these additional costs retroactively. Planning and Zoning and Engineering need to work together to achieve their goals to place more homes in Owatonna.

COUNCIL COMMENTS:

Council Member Voss thanked everyone for attending the follow-up meeting for the 24th Avenue Neighborhood Meeting,

Council Member Dotson commented the city is working on plans to resolve the drainage plan issue that Mr. Welker mentioned and hopefully will be ready to share soon.

Council Member Raney commented Election Day is 21 days away and Early Voting is now available. The Candidate Forums held each Monday can be viewed on Owatonna Live and provide candidate information and their responses to questions which will help voters decide who they want to vote for.

Council Member Svenby thanked staff and community members for their input to the 2050 Comprehensive Plan. This plan will help direct the city over the next 20 years.

City Administrator Busse introduced Emily Burns as the new Finance Director. Emily began in her position last week and the staff is looking forward to working with her.

At 7:52 p.m., Council Member Voss made a motion to adjourn, Council Member Dotson seconded the motion, and the meeting ended.

Respectfully submitted,
Jeanette Clawson, Administrative Coordinator



CITY OF
OWATONNA

Board Commission Minutes

The Owatonna Public Utilities Commission met in regular session in the Morehouse Conference room at the Owatonna Public Utilities. Present were Commissioners Zirngible, Rossi, Johnson and Vetter. Also present were General Manager Warehime; Director, Finance & Administration Olson; Director, Engineering & Field Services Fenstermacher; Director, Information Technologies & Metering Baum; Manager, Gas/Water Operations Prokopec; Manager, Human Resources Madson; Supervisor, Accounting Linders; Executive, Communications & Administration Coordinator Schmoll; Accountant Lori Jerpbak; and Accounting Specialist, Shanda Meier. Other guests included customer, Roger Wacek.

President Zirngible called the meeting to order and led the Pledge of Allegiance. He then asked for any changes to, and/or approval of, the agenda and consent agenda. The consent agenda items consisted of minutes from the August 27, 2024 meeting and the contributed services report as of August 30, 2024. Commissioner Rossi moved to approve the agenda and consent agenda items. Commissioner Johnson seconded the motion. All Commissioners voting aye, the motion passed.

Committee Reports

Finance Committee – Commissioner Johnson reported the Finance Committee met, reviewed and approved vouchers totaling \$5,992,754.65. Two work orders were closed in August with 62 still open. Year to date work orders are 30% under budget. All three utilities are doing well year to date.

Personnel Committee – Commissioner Rossi reported the Personnel Committee met and received a staffing update. He noted, Caleb Scheel, AMI Specialist, has accepted a position with the Rochester Public Utilities in their energy conservation area. He also noted, Michael Enright has accepted the position of Manager, Electrical Services will be starting on September 30th. The Committee also discussed pay equity points study and the non-union wage adjustment for 2025.

City Administrator's Report

The City Administrator was not present to give a report.

Financial Reserves Policy – Draft

Director, Finance & Administration Olson discussed proposed changes to the Financial Reserves policy with the Commission. He discussed minimum reserves levels, the current process for managing the reserves balances and presented potential changes and discussed next steps. Mr. Olson will incorporate the Commission's feedback into a revised policy and will present it at the October Commission meeting for approval.

2025 Proposed Rates

Director, Finance & Administration Olson and Supervisor, Accounting Linders presented a preliminary rates outlook for 2025. They discussed some terminology, each utility's rate outlook, key rate drivers, potential rate adjustments, the 2025 combined rate impact, and a reserves outlook. Potential rate changes for 2025 included a 0% increase for electric, 10% increase for water, and a 6.6% combined rate impact for natural gas which includes a rate reduction in the commodity charge and an increase in the budgeted PGA rate. A combined rate impact for the average residential customer is \$7.12 increase per month. The increase in water will help cover the need for a new well and water tower in the near future.

General Manager/Staff Reports

Director, Engineering & Field Operations Fenstermacher updated the Commission on the Water Comp Plan. He recapped the results of the study and noted, if a large water user customer comes to town, we will need a new well within 5 years. Mr. Fenstermacher noted, well & tower maintenance are an ongoing budget item. Four towers will be cleaned and/or reconditioned over the next 5 years. They will be evaluated and inspected and if any work is needed it will be built into the budget. If a new well is needed, DNR permitting restrictions need to be met and it is better to start before the well is actually needed.

General Manager Warehime noted the December and January Commission meetings conflict with holidays and other meetings. The proposed new date of the December Commission meeting is December 23rd. The October Personnel Committee meeting is being cancelled. A new date for the January meeting will be set later.

Commission Roundtable

The Commission expressed their appreciation for the reserves policy presentation and all the work that went into it.

Audience Comments

Customer Roger Wacek expressed concerns with SMMPA spending money on new generation and Xcel Energy shutting down the coal fired SHERCO 3 plant and replacing it with a solar farm. He proposed, instead, using the money for nuclear. He further suggested a book, **A Bright Future / How Some Countries Have Solved Climate Change and the Rest Can Follow**, by Joshua S. Goldstein & Staffan A. Qvist, copyright 2019. It discusses how Sweden decarbonized in response to the oil crisis of the 70's. He further suggested SMMPA and Xcel consult with Mr. Qvist on decarbonizing measures.

Adjournment

There being no further business to come before the Commission, the meeting adjourned at 5:41 p.m.

Respectfully submitted,

Tammy Schmoll
Executive, Communications & Administration Coordinator



CITY OF
OWATONNA

Department Reports

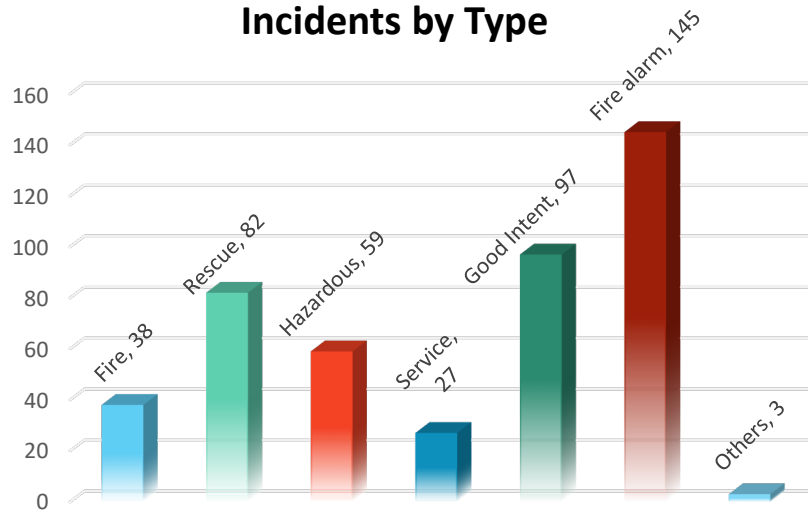
2024 OWATONNA FIRE DEPARTMENT MONTHLY ACTIVITY REPORT

INSPECTION SERVICES	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2024	2023
Fire code inspections	260	264	304	393	141	205	291	323	149				2330	2420
Fire alarm inspections	1	1	0	3	1	1	1	0	0				8	17
Sprinkler system inspections	4	6	8	5	7	5	6	5	6				52	37
Nuisance inspections	8	10	15	8	55	38	63	32	18				247	393
Weed inspections	0	0	0	0	177	125	135	130	136				703	425
Sprinkler system permits issued	3	4	2	4	2	2	1	1	0				19	26
Fire alarm system permits issued	3	0	2	2	2	2	2	2	0				15	17
Hood/Suppression system permits issued	1	1	0	0	0	0	0	0	0				2	7
Plan reviews	16	11	7	14	5	7	7	6	2				75	104
Code reviews	6	2	3	1	3	4	4	2	2				27	37
# Knox boxes checked	5	0	0	0	0	0	1	0	0				6	11
PUBLIC EDUCATION SERVICES	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2024	2023
# people given tours	0	0	0	25	0	0	37	12	15				89	326
# people given extinguisher demos	0	0	0	0	0	10	112	0	40				162	101
# people at truck visits	0	0	0	0	300	750	0	200	0				1250	1046
# people fire safety information	20	0	0	0	80	40	22	40	40				242	898
# people juvenile firesetters	0	0	0	0	2	0	0	0	0				2	2
EMERGENCY RESPONSE SERVICES	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2024	2023
Incidents														
City incidents	47	34	27	46	48	52	52	44	43				393	444
Rural incidents	6	4	8	8	6	9	4	2	8				55	77
Mutual aid given	1	0	1	1	0	0	0	0	0				3	2
Monthly Totals	54	38	36	55	54	61	56	46	51	0	0	0	451	523
Type of Incidents														
Fire	3	4	10	7	4	7	1	1	1				38	55
Rescue calls	8	6	5	6	12	7	12	8	18				82	91
Hazardous conditions	7	7	1	7	3	9	5	11	9				59	67
Service calls	2	3	4	3	5	2	2	4	2				27	31
Good intent calls	11	8	6	12	15	16	12	12	5				97	108
Fire alarms	23	10	10	19	15	20	23	9	16				145	167
Others	0	0	0	1	0	0	1	1	0				3	4
Monthly Totals	54	38	36	55	54	61	56	46	51	0	0	0	451	523
Total training hours	419.03	315.25	512.92	375.75	258.42	497.50	361.50	419.37	266.34				3426	4441
SAFETY SERVICES	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2024	2023
# injury reports	1	0	0	1	0	0	1	0	0				3	4
# lost work hours	0	0	0	0	0	0	0	0	0				0	0
# fire extinguishers serviced	70	0	12	30	15	15	28	20	25				215	425
TOTAL HOURS														
Full-time shift hours worked	1687.00	1717.00	1747.25	1608.00	1790.50	1621.50	1699.50	1712.25	1593.00				15176.00	20254.50
Full-time overtime hours worked	213.58	122.48	120.63	162.76	46.72	222.20	130.42	149.38	98.59				1266.76	1703.40
Paid-on-Call hours worked	447.75	329.00	675.50	447.00	341.00	606.75	280.75	320.75	254.50				3703.00	4399.87
Monthly Hours Worked Total	2994.61	2622.98	3373.05	2817.26	2619.64	3196.45	2571.42	2741.00	2310.93	0.00	0.00	0.00	20145.76	26357.77

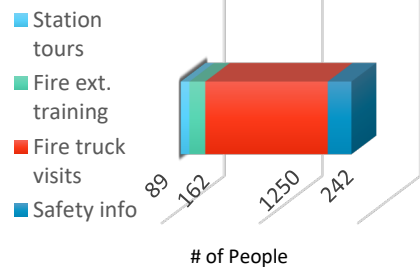
OWATONNA FIRE DEPARTMENT DASHBOARD

2024 STATISTICS

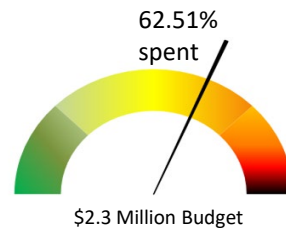
Incidents by Type



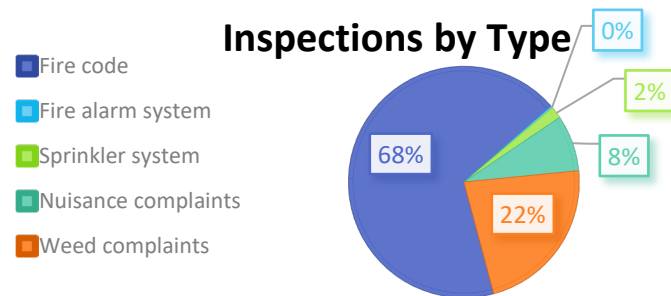
Public Education



Expenditures

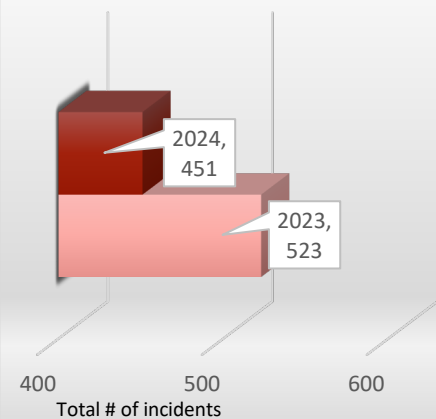


Inspections by Type

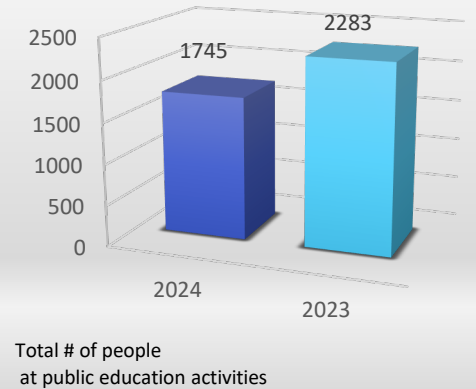


2024 VS 2023 STATISTICS

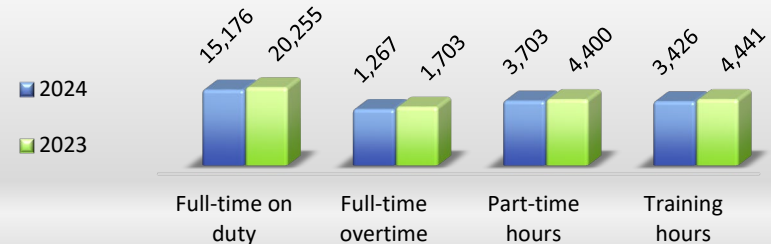
Incidents



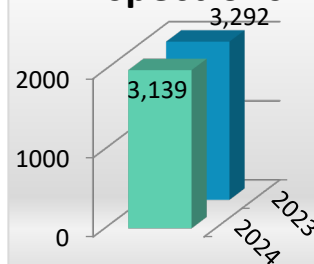
Public Education



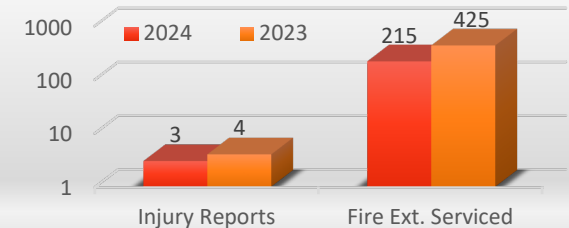
Staff Hours



Inspections



Safety Services



Weed/Nuisance Complaint Inspections						OWATONNA FIRE DEPARTMENT	
October 9, 2024 to October 29, 2024							
Address	Complaint Description	Inspection Date	Violation Notice Sent	Correction Due Date	Violation Corrected Date	Comments	Staff Hours
1020 Frontage Road West	The complaint vacant lot with long grass and weeds has been mowed as of Oct 8, 2024. RJS	10/8/2024			10/8/2024	Has been mowed.	0.5
1039-1041 Oak Avenue South	Reinspection picture 9030 - the complaint location did not mow the long grass and weeds remain in place as of Oct 7, 2024, Oct 8, 2024, Oct 9, 2024. RJS Need to call the lawn service as of Oct 7, 2024. 10/9/24 - Contacted mower. 9609	10/7/2024			10/10/2024	Has been mowed.	1
205 Oak Avenue North	The complaint location started to remove the tall grass and weeds in landscaping blvd areas as of Oct 4, 2024. RJS	10/4/2024			10/7/2024	Has been removed.	1
210 Vine Street East	Long grass and weeds in all yards per complaint picture 9017 as of Oct 1, 2024.	10/1/2024	10/4/2024	10/15/2024	10/11/2024	Has been mowed.	0.5
215 Plainview Street	Long grass and weeds in all yards per complaint picture 9016 as of Sept 27, 2024.	9/27/2024	10/4/2024	10/14/2024	10/9/2024	Has been mowed.	0.5
321 Woodland Drive	Complaint: Backyard needs to be mowed.	10/9/2024	10/10/2024	10/20/2024	10/11/2024	Has been mowed.	1
372 School Street East	Complaint: Noxious weeds all over yard.	10/28/2024			10/28/2024	No violations found at the time of the inspection.	0.25
384 Sylvan Street	Reinspection picture 9028 - long grass and weeds in all yards, driveway area. Need to call lawn service as of Oct 7, 2024. 10/14/24 - Reviewed picture, does not appear to be over 8" and grass is no longer growing. Closed complaint. 9609	10/7/2024			10/14/2024	No violation	0.5
401 Barney Street West	Complaint: back yard weeds are tall. Uploaded complainant's pictures.	10/10/2024				Contacted city to cut weeds.	0.5
409 Sylvan Street	10/22/24 - no change, tree is still in back yard. Check if anything has been done with the tree in the back yard.	10/22/2024	9/17/2024	10/17/2024		Forwarded to chief for further action.	1
417 Glendale Street	Long grass and weeds in all yards per complaint picture 9027 as of Oct 4, 2024.	10/4/2024	10/8/2024	10/18/2024	10/11/2024	Has been mowed.	0.5
435 Allan Avenue Southwest	complaint that there are garbage bags outside again.	10/22/2024	10/23/2024				1
460 Hilltop Avenue	Complaint: Appliances and furniture in front yard.	10/29/2024					0.5
505 State Avenue	Long grass and weeds in all yards per complaint pictures 9009, 9010 as of 9/26/24.	9/26/2024	10/4/2024	10/14/2024	10/11/2024	Has been mowed.	0.5
537 Hazel Lane	Long grass and weeds in all yards per complaint picture 9013 as of 9/27/24.	9/27/2024	10/4/2024	10/14/2024	10/15/2024	Has been mowed.	0.5
539 South Street East	Long grass and weeds in all yards per complaint picture 9020 as of Oct 1, 2024.	10/1/2024	10/4/2024	10/15/2024	10/10/2024	Has been mowed.	0.5

Weed/Nuisance Complaint Inspections						OWATONNA FIRE DEPARTMENT	
October 9, 2024 to October 29, 2024							
Address	Complaint Description	Inspection Date	Violation Notice Sent	Correction Due Date	Violation Corrected Date	Comments	Staff Hours
557 Mineral Springs Road	The complaint location with long grass and weeds in all yards has been mowed as of Oct 7, 2024. RJS	10/7/2024			10/7/2024	Has been mowed.	0.5
607 Hazel Lane	Long grass and weeds in all yards per complaint picture 9022 as of Oct 3, 2024.	10/3/2024	10/8/2024	10/18/2024	10/18/2024	Has been mowed.	0.5
681 Glendale Street	Long grass and weeds in all yards per complaint picture 9026 as of Oct 4, 2024.	10/4/2024	10/8/2024	10/18/2024	10/18/2024	Has been mowed.	0.5
704 Cherry Street	The complaint location has been mowed as of Oct 9, 2024. RJS	10/9/2024			10/8/2024	Has been mowed.	0.5
717 Cedar Avenue South	Complaint: Couch and microwave by dumpster in alley per complaint picture 9025 as of Oct 3, 2024.	10/3/2024	10/10/2024	10/22/2024	10/22/2024	Have been removed.	0.5
903 Rose Street East	The complaint location has been mowed as of Oct 9, 2024. RJS	10/9/2024			10/8/2024	Has been mowed.	0.5



CITY OF
OWATONNA

Miscellaneous



DATE: November 6, 2024
TO: Mayor and City Council
FROM: Eric Anderson, Recreation Manager
SUBJECT: Senior Nutrition Program Lease Agreement - SEMCAC

Purpose:

Request City Council approval to new the Facility Use Agreement with the SEMCAC Senior Dining.

Background:

SEMCAC Senior Dining has been leasing West Hills Social Commons for many years, providing walk-in meals and deliveries to citizens of the community and surrounding communities. The organization utilizes the kitchen, a storage space next to the kitchen and an area for office space.

Currently, SEMCAC pays the City a daily use fee, a percent of the monthly garbage service, and a percent of the water softener fees. To allow for efficiencies in budgeting and invoicing, the payments for monthly garbage service and water softener fees were eliminated in this agreement. The daily use fee was increased to off-set the amount currently being collected from SEMCAC for those services. Additionally included in this agreement is Semac being responsible for the annual hood cleaning and annual kitchen drain and drain trap cleaning service fees. The City will schedule those services and bill SEMCAC.

This agreement is for a 4-year renewal, from 2025-2028.

Budget Impact:

The City will receive a daily use fee from SEMCAC for all days in operation and will receive reimbursement for the annual hood cleaning and drain/drain trap cleaning services. SEMCAC receives card access into the facility, requiring no additional city staff time to accommodate this use.

Staff Recommendation:

Staff recommends renewal of this areement.

Attachments:

1. 2025-2028 SEMCAC Senior Dining Lease Contract

SEMCAC SENIOR NUTRITION PROGRAM LEASE AGREEMENT

THIS LEASE AGREEMENT, made this 5th day of November 2024, by and between the City of Owatonna, hereinafter "City," and Semcac, a Minnesota non-profit corporation, hereinafter "Semcac."

WHEREAS, A Dining Program for older persons, which has been funded under Title III-C of the Older American's Act through a contract with the Area Agency on Aging, has been established in the community area by Semcac; and

WHEREAS, the program calls for space in which to conduct such a service; and

WHEREAS, City has space in West Hills Social Commons for usage by Semcac;

NOW, THEREFORE, in consideration of the terms and mutual covenants contained herein, the parties agree as follows:

1. **PREMISES**

City hereby demises and lets unto Semcac, and Semcac hereby agrees to utilize the kitchen, secured storage room, dining area, restrooms, and desk and file cabinet in West Hills Social Commons located at 500 Dunnell Drive, Owatonna, County of Steele, State of Minnesota, hereinafter referred to as the "Demised Premises."

2. **PURPOSE**

The Demised Premises shall be used by Semcac for the operation of its Senior Nutrition Program. Use of the Demised Premises shall be: Kitchen from 6:00 a.m. to 2:00 p.m. and an area in the Dining Room/Multipurpose from 10:30 a.m. to 12:30 p.m., Monday through Friday, fifty-two weeks per year. The south and east serving windows are to remain closed until 10:30 a.m. and whenever activities are occurring in the Multipurpose room. The City may pre-empt Semcac to use the dining space and kitchen by notifying the Site Manager forty-eight (48) hours in advance.

3. **TERM**

This Agreement will be effective January 1, 2025 through December 31, 2028

4. **RENT**

The City will charge Semcac the following rate per serving day for use of the Demised Premises

2025	\$35.00
2026	\$36.00
2027	\$37.00
2028	\$38.00

City will process payment at the end of each quarter following the incurred costs. Semcac shall make payment within thirty (30) days of receipt of statement.

5. **SEMCAC'S OBLIGATIONS**

Semcac shall:

- a. Provide evidence to City of standard form property insurance for all property owned by Semcac, for which it is legally liable and which is located on or in the Demised Premises.
- b. Provide evidence to City of comprehensive general liability insurance insuring Semcac against liability arising out of this Lease Agreement, product liability, or the use, occupancy or maintenance of the Demised Premises, in the amount of not less than \$1 million per occurrence and \$2 Million annual aggregate. Lessee shall provide the Lessor with a Certificate of Insurance naming the City as an additional insured.
- c. Provide telephone service necessary for the operation of the program.
- d. Be responsible for breakage or repair costs that Semcac agrees are attributable to its operation.
- e. Provide staff as follows: A Site Manager responsible to Semcac. Other appropriate staff deemed necessary by Semcac for the operation of the program will be employed.
- f. Be responsible for supervising its own staff and volunteers.
- g. Be responsible for all deliveries associated with the Senior Nutrition Program.
- h. Provide workers compensation insurance for all Semcac employees. Lessee shall provide the Lessor with a Certificate of Workers Compensation insurance.
- i. Maintain a current Minnesota Department of Health license. The city shall not be responsible for necessary updates to the facility as required by Minnesota Department of Health standards to maintain that license.
- j. Be responsible for cleaning the dining room and kitchen after each use and leaving it in the same condition as it was prior to use. This includes sweeping and mopping the kitchen and cleaning tabletops in the dining room.
- k. Clean and defrost the refrigerator and freezer as needed, and clean the gas range and convection ovens as needed.
- l. Be responsible for an inspection (to be verified by West Hills Social Commons staff/volunteer) each day to insure all electrical equipment in the kitchen is shutoff before staff leaves the building
- m. Be Responsible for the annual hood cleaning service fees. The City shall arrange for this cleaning and bill Semcac accordingly.

- n. Be Responsible for the annual kitchen drain and drain tape cleaning service fees. The City shall arrange for this cleaning and bill Semcac accordingly.
- o. Notify the Recreation Manager or appointed designee a minimum of 1 week in advance, in writing, of any days the facility will not be occupied for the Senior Nutrition Program. Any days not notified in advance will be charged the agreed upon daily date.
- p. Notify the Recreation Manager or appointed designee of any weather related closures in a timely manner.

6. **CITY'S OBLIGATIONS**

City shall:

- a. Provide kitchen equipment as listed in section 7a.
- b. Maintain the Demised Premises in a clean and serviceable condition.
- c. Furnish heat, light, water, and snow removal for the Demised Premises, and be solely responsible for the payment thereof.
- d. Be responsible for Fire Suppression Inspection fees.
- e. Insure itself and Semcac against losses caused by the negligence of the City.
- f. Provide adequate bulletin board space for Semcac to promote its program
- g. Provide tables, chairs, and piano for the congregate dining area.
- h. Furnish keys to the building and the Demised Premises to Semcac.
- i. Enforce the cleaning of kitchen appliances and dining area when used by other parties.

7. **JOINT RESPONSIBILITIES**

Both parties shall:

- a. Share the responsibility for maintenance inspections and repair of the following equipment owned by the city: dishwasher, garbage disposal, air makeup and exhaust system and fire suppression system associated with the Hood. Semcac shall assume an 80% obligation, and the City of Owatonna a 20% obligation for maintenance inspections and repair. Repairs in excess of \$500 will have both parties' prior approval. This amount will be reviewed annually by both parties. Ordering of repair may be performed by Semcac personnel, subject to verbal or written approval by the Recreation Manager or appointed designee. Ordering of annual refrigeration inspections will be done by the Recreation Manager or appointed designee. Semcac shall assume 100% responsibility of maintenance inspections and repair of any equipment owned solely by Semcac as listed in appendix A – Semcac Owned Equipment.
- b. Share in the cost (on a 50/50 basis) for an annual professional cleaning of the interior walls and floor of the kitchen area. The City shall arrange for this cleaning and bill Semcac accordingly.
- c. Coordinate programming efforts.

8. **CANCELLATION**

- a. This agreement is cancelable by either party upon written notice to the main office of the other party thirty (30) days in advance of a cancellation date.
- b. Upon termination of this agreement because of expiration or upon termination for any other reason, Semcac shall remove all goods, chattels, and fixtures belonging to Semcac and shall leave the premises in the condition in which they were received. In the event said goods, chattels, and fixtures are not removed within thirty (30) days from expiration of this agreement or its termination for any other reason, Semcac shall be deemed to have abandoned the same to the City. Minor equipment and appliances belonging to Semcac are listed in Appendix A.
- c. Upon termination of this agreement, the City and Semcac may negotiate the option for the City to purchase any of the appliances listed in Appendix A.

9. **ENTIRE AGREEMENT**

This lease contains the entire agreement between the parties with respect to the lease of this property. Any prior understanding or representation of any kind preceding the date of this Agreement shall not be binding upon either party except to the extent incorporated in this Agreement.

10. **MODIFICATION**

No amendment, modification or supplement to this lease shall be valid and binding unless mutually agreed upon by City and Semcac in writing.

11. **SIGNATURE CERTIFICATION**

Each person executing this Agreement represents and warrants that he/she is duly authorized and has legal authority to execute and deliver this Agreement. Each party represents and warrants to the other that the execution and delivery of this Agreement and the performance of such parties' obligation hereunder have been duly authorized.

IN WITNESS WHEREOF, The parties have hereunto set their hands the day and year first above written.

LESSOR
CITY OF OWATONNA

LESSEE
SEMCAC

By _____

By Jennifer Hengel

Printed Name Tom Kuntz

Printed Name Jennifer Hengel

Title Mayor

Date _____

By _____

Printed Name Kris Busse

Title City Administrator

Date _____

Title Executive Director

Date 10/11/2024

Appendix A – Semcac Owned Equipment located at West Hills Social Commons

<u>Equipment Model</u>	<u>Equipment Type</u>	<u>Serial Number</u>	<u>Storage Location</u>
30 qt Univex Mixer	Model SRM30	MO16125	Main kitchen
2 Door, 46 Cu Ft Superior Freezer		Serial 4600829	Main kitchen
34 Ft of Advance Chrome Storage Shelving		#892007	Storage room
1000 Watt, Microwave Oven		#841424	Main kitchen
12-inch Berkel Meat Slicer		#841881	Main kitchen
2-Door True Refrigerator/Freezer	Model T-23DT	S0423255	Back storage room
Insinkerator Disposal	Model SS50-26	13119118358	Main kitchen
2 Door, 46 cu ft Beverage Air Refrigerator	Model ER48		Main kitchen
2 Half Door, 23 cu ft True Freezer		#4600829	Back storage room
4 Ft Chrome Shelving			Main kitchen
42" High Can Rack			Storage room
2-Door 46 cu ft Hobart Freezer	Model TSF-49	DF49409069	Back storage room
2-Door Center Line Refrigerator	Model 69K-162HC	2125954	Back storage room
SouthBend 8 Burner Range		19H17871	Main kitchen
Blodgett Zephair 100-6 Double Convection Oven		050119cc017T	Main kitchen
Cleavland Steamer		190723053846	Main kitchen
Wire Shelving Unit 30 X 24			Main kitchen
Wire Shelving Unit 60 X 24			Main kitchen
Wire Shelving Unit 36 X 24			Main kitchen
Wire Shelving Unit 36 X 18			Main kitchen
Stainless Steel Table 24 X 60			Main kitchen
Stainless Steel Table 30 X 24			Main kitchen

**All commercial cooking and transport equipment, stainless mobile carts, dinnerware and silverware.



DATE: November 6, 2024
TO: Mayor and City Council
FROM: Eric Anderson, Recreation Manager
SUBJECT: Facility Use Agreement - Owatonna Church of Christ

Purpose:

Request City Council approval to renew the Facility Use Agreement with Owatonna Church of Christ at West Hills Social Commons.

Background:

Owatonna Church of Christ has a long history of renting space at West Hills Social Commons for their Sunday church service and related functions. Owatonna Church of Christ has a particular room layout for their service, which they set up before their service. This agreement allows this group to access the facility for one hour, at no charge, prior to their Sunday service to coordinate the Multipurpose Room setup, with no city staff required. This agreement is a renewal for the 2025 calendar year.

Budget Impact:

During the listed agreement, Owatonna Church of Christ is issued a key card and key to access Social Commons and other authorized areas within the building. Building staff is not needed during this agreement time. Owatonna Church of Christ pays the standard rental fee at Social Commons for all other rental times. The current fee schedule is attached.

Staff Recommendation:

Staff recommends renewal of the Facility Use Agreement with Owatonna Church of Christ.

Attachments:

1. 2025 Owatonna Church of Christ - Facility Use Agreement
2. Social Commons Room Rental Fee Schedule

OWATONNA CHURCH OF CHRIST FACILITY USE AGREEMENT

This agreement (the "Agreement") is made and entered into as of this 5th day of November 2024 by and between City of Owatonna, Minnesota ("Licensor") and Owatonna Church of Christ ("Licensee").

RECITALS

1. Licensee wishes to use Licensor's facilities described below and to use such facilities under the following terms and conditions:

Facility: Multi-purpose room at West Hills Social Commons

For the purpose of: Setup of Church Gathering

Starting Date: January 1, 2025

Ending Date: December 31, 2025

Days and time of use:

Sundays: 8:00AM - 9:00AM

NOW, THEREFORE, for good and valuable consideration, Licensee and Licensor hereby agree as follows:

1. **Space.** Licensee will occupy the Multipurpose Room, a storage space in the 1st floor back storage room and the 1st floor Multipurpose Room Tables and Chairs storage room on the days and at the times listed above for set up purposes of their rental. Licensee may also use common areas at the Facility such as waiting areas, hallways, and public bathrooms. Any increase in hours of use and occupancy requires prior agreement by both Parties.
2. **Non-Business Hours Use.** Licensee shall be issued 2 Key Access Cards and a key for entrance into the Facility and designated areas. Licensee will only use the Key Card and key for entrance into areas and purposes identified in Section 1 of this agreement. Licensee will not allow any unauthorized individuals to enter the Facility. Licensee will follow all facility use, closing and lock up policies and procedures as instructed by Licensor.
3. **Maintenance and Utilities.** Licensor will provide maintenance and utilities for the Facility in accordance with its routine schedule and standards, including water and sewer, heat, air conditioning, electricity, trash disposal, hazardous waste disposal, and

telephone service. Licensee shall reimburse Licensor for all additional maintenance and services provided at Licensee request.

4. **Fees.** Licensee will not pay Licensor for the use of space during the days and times listed above. Licensee will pay Licensor the listed hourly room rate for use of the Facility for all other designated rental times. Such amounts shall be due and payable whether or not Licensee actually uses the Facility for any or all of the allotted time. Licensee will provide Licensor with proof of non-profit status. Licensor will submit quarterly invoices to Licensee, and Licensee shall pay such invoices within 30 days of receipt.
5. **Permitted Use of the Premises.** Licensee shall use the Facility in accordance with the terms and conditions of this Agreement and Licensor policies. Licensee shall obtain any required permits for its use of the Facility. Licensee will make no use of the Facility that would be contrary to any federal or state law or any municipal bylaw or ordinance in force in Minnesota, nor may Licensee commit or allow any nuisance to exist at the Facility. Licensee shall cooperate with Licensor's building and security personnel in ensuring public safety. Licensee shall ensure that individuals entering the Facility to participate in an event hosted by Licensee refrain from use of alcohol and/or drugs, possessing weapons, fighting, engaging in abuse of any kind, littering, and/or disturbing Licensor employees and clients while located on Licensor property. Any individual who violates the preceding requirement may be prohibited from entering Licensor property.
6. **Licensor's Use of Facilities.** Licensee acknowledges and agrees that Licensor retains the right to exercise control over the Facility at all times, including the right to enforce applicable policies, rules and regulations.
7. **Personal Property.** Licensee shall occupy a small storage space designated by the licensor. Licensor is not responsible for any loss of or damage to any personal property of Licensee, its guests, agents, employees or invitees.
8. **Licensee's Obligations After Use of Facility.** Licensee agrees to exercise due care in the use of the Facility and shall leave the Facility in the same good condition as on the Starting Date, normal wear and tear excepted. Property not removed by Licensee may not be recoverable, and Licensor may dispose of it as it deems expedient without liability to Licensee or others. Licensee shall reimburse Licensor for any and all costs Licensor incurs to repair any damage to the Facility or other Licensor property or equipment arising out of or connected with Licensee's use of the Facility, unless such damage is caused solely by Licensor, its officers, agents, or representatives.
9. **Indemnification.** Licensee agrees to defend, indemnify, and hold harmless Licensor from and against all claims, liabilities or expenses (including reasonable attorney's fees and other professional expenses) arising from or in connection with (a) Licensee's use of the Facility and other Licensor property (b) the negligent or wrongful acts of

Licensee's employees, agents, or invitees; or (c) Licensee's failure to perform or comply with any of the terms of this Agreement, except to the extent caused by the negligence or willful misconduct of Licensor. If Licensee is a charitable organization, corporation, entity or individual having or claiming immunity (statutory or otherwise) from liability for damage or injury to property or person, Licensee hereby waives its right to plead such immunity defensively against Licensor. This Section 9 shall survive termination of this Agreement.

10. **Limitation of Licensor Liability.** In no event shall Licensor be liable for any direct or indirect, consequential, incidental, lost profits or similar damages arising out of this Agreement. Licensor's total liability for breach of this Agreement is the fee payable to Licensor for one event pursuant to Section 3 of this Agreement.
11. **Insurance.** Licensee shall take out and maintain during the term of this agreement Commercial General Liability insurance coverage to protect the Licensee, its officers, employees, agents, members and anyone directly or indirectly engaged or employed by Licensee from any and all claims for damage to property or for personal injury, including death, made by anyone, arising under this Agreement with the following limits of coverage:
 - Commercial General Liability coverage with limits of not less than \$1 Million per occurrence and \$2 Million annual aggregate.

Licensee shall provide Licensor with a Certificate of Insurance naming the Licensor as an additional insured.

12. **Termination.** Each Party has the right to terminate this Agreement without cause upon 30 days' notice. Notwithstanding the previous sentence, Licensor may immediately terminate this Agreement upon the occurrence of any of the following:
 - a. If Licensee defaults in the payment of any sum to be paid hereunder and such default continues for more than 10 days following written notice from Licensor to Licensee; or
 - b. If Licensee fails to maintain the insurance required under Section 11.
13. **Notice.** Any notice pursuant to this Agreement must be in writing and must be personally delivered, sent by email, or sent by certified mail, addressed to the parties at the addresses below or at such other address as they specify in written notice. Notices are effective upon personal delivery or when sent by e-mail or certified mail.

If to Licensor: Owatonna Parks and Recreation
Attn: Recreation Manager
540 West Hills Circle
Owatonna, MN 55060
Tel: 507-444-4321

If to Licensee: Owatonna Church of Christ
PO Box 474
Owatonna, MN 55060
Tel: 507-455-0046

14. **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the State of Minnesota, without reference to conflict of laws principles.

15. **Miscellaneous**

- a. **Force Majeure.** Neither party will be deemed to be in default under this Agreement if it is prevented from performing its obligations hereunder for any reason beyond its control or is materially adversely affected in the performance of its obligations by acts of God, acts of civil or military authority, fires, floods or other natural disasters, strikes, governmental laws and regulations.
- b. **Emergency Closure.** Licensor may determine, at its sole discretion, that for reasons of health safety and in the best interests of the public it may close the facility as necessary. Licensee would not be charged for use of the facility during this closure time.
- c. **Discrimination.** The Parties agree to be bound by applicable state and federal laws governing Equal Opportunity Employment and Non-discrimination.
- d. **Assignment.** Licensee shall not assign its rights under this Agreement without Licensor's prior written consent.
- e. **Independent Contractors.** Licensee, including its employees, volunteers or agents, is an independent contractor and nothing in this Agreement will be construed to create an employer/employee or joint venture relationship between Licensor and Licensee or its employees, volunteers, or agents.
- f. **Amendment.** This Agreement may be amended only upon mutual written agreement of the parties.
- g. **Entire Agreement.** This Agreement, together with its exhibits and attachments, constitutes the entire agreement between the parties with respect to the subject matter, and supersedes all prior agreements, understandings, promises, and

representations made by either party to the other concerning the subject matter of this Agreement.

- h. Waiver. The failure of any party to insist on the performance of any provision of this Agreement and to exercise any rights hereunder will not be construed as a waiver of future performance of any such provision or the future exercise of such right.
- i. License Only. No tenancy whatsoever is intended to be created by this Agreement. The privilege granted to Licensee herein is not one of lease or grant, and will not give Licensee any right, title or interest in and to the Facility.
- j. Severability. If a court of competent jurisdiction holds any provision of this Agreement invalid or unenforceable, the remaining provisions will nonetheless be enforceable. If such court determines that any provision of this Agreement is held to be overbroad as written, such provision will be deemed amended to narrow its application to the extent necessary to make the provision enforceable according to applicable law and will be enforced as amended.
- k. Costs, Expenses and Attorney's Fees. If either party incurs costs, expenses, or attorney's fees in enforcing any of its rights under this Agreement, whether by litigation, arbitration, or otherwise, the unsuccessful party in such dispute will reimburse the prevailing party for its costs, expenses, and attorney's fees.
- l. No Third Party Beneficiaries. Nothing in this Agreement will create any obligations by Licensor or Licensee to any person or entity not a party to this Agreement, including Licensee's employee, volunteers or participants, or any other individuals employed by or under contract with Licensor or Licensee.

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IN WITNESS WHEREOF the parties have caused this Agreement to be executed as follows:

CITY OF OWATONNA

By _____

Printed Name Tom Kuntz

Title Mayor

Date _____

By _____

Printed Name Kris Busse

Title City Administrator

Date _____

OWATONNA CHURCH OF CHRIST

By James Cox

Printed Name JAMES COX

Title MEMBER

Date 13/SEP/2024

Owatonna Parks and Recreation Fees Manual 2024

Rentals	2024 Current Fee	2024 Fee Updated (approved 6/18/24)	Effective Date	Cost Recovery Model
Shelters				
Daily Rental-Small Pavilions	\$80.00			4
Daily Rental- Large Pavilions	\$100.00			4
Morehouse Chalet	\$175.00			4
Central Park Stage	\$250.00			4
Tennis & Fitness Center				
Fitness Center Activity Room	\$45 per hour			4
Basketball Court per hour	\$45 per hour			4
Tennis Court – Group Rental (2 weeks or more in advance)	\$22.00			4
Tennis Court – Group Rental (less than 2 weeks in advance)	\$24.00			4
Swimming Pool	\$70 per hour			4
Social Commons				
Multipurpose Room Standard Rate per hour	\$60.00			4
Multipurpose Room Non-Profit Rate per hour	\$40.00			3
Multipurpose Room with Kitchen Standard Rate per hour	\$75.00			4
Multipurpose Room with Kitchen Non-Profit Rate per hour	\$55.00			3
West Meeting Room 2 nd floor Standard Rate per hour	\$40.00			4
West Meeting Room 2 nd floor Non-Profit Rate per hour	\$30.00			3
Program Room 2 – Standard Rate per hour	\$20.00			4
Program Room 2 – Non-Profit Rate per hour	\$15.00			3
Board Room – Standard Rate per hour	\$40.00			4
Board Room – Non-Profit Rate per hour	\$30.00			3
Lake Kohlmier				
Equipment Rental (Kayaks, Hydro Bike, Canoe, Paddle Board, Paddle Boat)	\$6.50			3
Summer Individual Pass	\$25 + Tax			3
Large Group Rental	\$115 for 2 hours (10 Vessels)			4
LK Plus Pass (includined in RSWP Section)	\$18.00 per person			



DATE: November 6, 2024
TO: Mayor and City Council
FROM: Eric Anderson, Recreation Manager
SUBJECT: Lease Agreement - Steele County Healthy Seniors

Purpose:

Request City Council approval to renew the Healthy Seniors of Steele County Lease Agreement at West Hills Social Commons.

Background:

Healthy Seniors of Steele County is a local 501c3 non-profit organization committed to serving seniors and caregivers of Steele County. This organization has leased office and storage space on the 3rd floor of West Hills Social Commons for many years. This agreement is to renew those spaces for the 2025 calendar year.

Budget Impact:

The rental generates facility revenue as identified in the budget. Healthy Seniors is issued key card access into the building and rental areas, requiring no additional staff cost. The 2025 rental income will be \$2058, a 5% rent increase from the previous year.

Staff Recommendation:

Staff recommends renewal of the Lease Agreement with Healthy Seniors of Steele County.

Attachments:

1. 2025 Steele County Healthy Seniors Lease Agreement

STEELE COUNTY HEALTHY SENIORS LEASE AGREEMENT

THIS LEASE AGREEMENT, made the 5th day of November 2024, by and between the City of Owatonna, a municipal corporation of the State of Minnesota, hereinafter called Lessor, and Healthy Seniors of Steele County hereinafter called Lessee.

1. **PREMISES**

That said Lessor, in consideration of the rents and covenants hereinafter provided, does hereby remise, lease, and let unto Lessee, and the said Lessee does hereby hire and take from Lessor the following described premises situated in the City of Owatonna West Hills Social Commons property, located in the County of Steele, State of Minnesota, to-wit:

3rd Floor office space, West Hills Social Commons

3rd Floor Southwest storage space, West Hills Social Commons
(12 foot, 9 inches long x 7 foot 6 inches wide storage space)

2. **TERM**

The term of this lease shall be from January 1, 2025, to December 31, 2025.

3. **RENT**

The rent payable by Lessee to Lessor shall be \$2058 due in quarterly installments of \$514.50.

4. **FACILITY ACCESS**

The City will issue the Lessee 5 Key Cards for access into the West Hills Social Commons and 5 keys for access into the above listed spaces. The Contractor will only use the issued Key Cards and keys for entrance into areas and purposes of the Lease Agreement. The Contractor will not provide any unauthorized individuals the Key Cards or keys or allow any unauthorized individuals to enter the Facility. All issued Key Cards and keys must be surrendered to Lessor at Lessor's place of business upon termination of the lease. Lost Key Cards or keys will be replaced at a cost of \$20.00 per Key Card or key and will be replaced during regular business hours. Key Cards and keys shall not be duplicated by the Lessee.

5. **ASSIGNMENT AND SUBLETTING**

Lessee agrees that it will not sublet the demised premises or any part thereof, and will not assign this lease or any interest therein, nor permit such lease to be transferred by operation of law or otherwise and that no act or acts will be done or suffered whereby the same may be or become sublet or assigned in whole or in part, unless the written consent of the Lessor endorsed hereon shall be first obtained in each and every case of underletting or assignment, as they shall from time to time accrue or be desired and that nothing whatever shall be held to be a waiver or supersede the necessity of such endorsement. Any assignment, sale in bankruptcy or insolvency of the Lessee may, at the option of the Lessor, be considered an assignment within the meaning of this lease and as a breach of the covenants hereof.

6. **UTILITIES**

At such time as Lessor incurs any expense in connection with utility services, upon 90 days written notice to Lessee, Lessee will thereupon assume such obligations directly and in full, with Lessee having option to cancel in said event.

7. **REPAIRS AND MAINTENANCE**

Lessee agrees to take the premises in their present condition and shall, at its own expense during the term of this lease, repair and maintain the entire leased premises in a safe, clean, and presentable condition; this obligation of the Lessee shall extend to and include replacement of broken glass, plumbing, and electrical repairs with the Lessor to be responsible for maintenance of structural weight-bearing walls and maintenance and repair of the public sidewalk and entrances and exits to the leased premises. Lessor shall maintain and repair all water, sewer, gas, and electric service lines running to the leased premises but Lessee will be responsible for such service once it is into the leased premises.

8. **ERECTION AND MAINTENANCE OF SIGNS**

Lessee shall not erect or permit to be erected on said premises or on the exterior of any buildings any signs of any type without the written consent of the Lessor endorsed hereon.

9. **TAXES**

So long as the property remains tax exempt, neither party will have a tax obligation. Should this tax exempt status change or be modified in any respect by reason of the parties having entered into this lease or for any other reason which would return the demised premises to the tax rolls, Lessee will be obligated to pay and hold Lessor harmless any such real estate or other tax thereby incurred.

10. **DAMAGE OR DESTRUCTION OF PREMISES**

In the event of damage to or destruction of the leased premises or a portion thereof by fire, or other cause sufficient to render the leased premises unsatisfactory for Lessee's operations or otherwise tenantable, either party may terminate this lease by written notice of its

intention to do so to the other party within thirty (30) days of such destruction or damage. Lessor will not be obligated to replace or repair the leased structure, and if it so elects to not rebuild, shall give Lessee notice of said fact and the lease shall thereupon automatically terminate. Should Lessor determine to make repairs to damages to the premises, then during the period commencing with the damage to the premises and ending with the completion of the repairs rendered necessary thereby, the rent payable hereunder shall abate and the obligation of the Lessee ever to pay the same shall cease to the extent and in proportion to the area rendered tenantable by the injury to the premises or rendered tenantable by repair work.

11. **AMERICANS WITH DISABILITIES ACT**

Lessee acknowledges and agrees that, while Lessor has reviewed and approved the plans and specifications for Lessee's leasehold improvements, (and may construct Lessee's leasehold improvements for Lessee), Lessor assumes no responsibility for compliance of such plans and specifications, the leased premises or Lessee's leasehold improvements with the Americans with Disabilities Act of 1990 or the regulations promulgated thereunder ("ADA"), and Lessor shall not be responsible for any alterations or additions to the leased premises or any other portions of the building of which the leased premises or any other portions of the buildings of which the leased premises are a part which may be required by the ADA.

Lessee agrees to comply with the ADA, including without limitation by removing architectural barriers within the leased premises and the common areas of the building made necessary by

Lessee shall indemnify and shall hold Lessor harmless from any damages, loss or liability, including without limitation the cost of barrier removal or alterations which may be performed by Lessor, resulting from the failure to Lessee to comply strictly with the requirements of the ADA.

12. **INSURANCE**

Lessee shall at all times during the term of this lease and any extensions thereof, carry public liability insurance covering the leased premises, which insurance shall insure against liability for personal injury or death and property damage with minimum limits of not less than \$1 million per occurrence and \$2 Million annual aggregate.

Said policy to be issued by a company authorized to do business in the State of Minnesota and, if mutual, shall be non-assessable. Contractor shall provide the City with a Certificate of Insurance naming the City as an additional insured.

Contractor agrees to provide Workers Compensation insurance for all its employees in accordance with the statutory requirements of the State of Minnesota. Prior to providing services to the City pursuant to this Agreement or assigning an official to any City events,

Contractor shall deliver to the City evidence that the above coverage is in full force and effect.

13. **OPTIONS TO RENEW**

Lessee is hereby granted one (1) option to renew and extend the term of this lease for an additional period of up to one (1) year. Each optional term shall be at such rent and upon the terms and conditions as are determined by the Lessor.

14. **PEACEFUL SURRENDER**

Lessee covenants and agrees to keep and maintain the premises and its fixtures during the term of the lease and peaceably quit and deliver up the same to Lessor at the termination of this lease in as good order, condition, and state of repair as the same are at the date hereof, reasonable use and wearing thereof excepted. At its option and expense, Lessee may remove from the premises at termination the non-attached personal property as it may have installed, excluding specifically heating and air conditioning equipment.

15. **LESSOR'S REMEDIES**

If the monthly rental payment, or any of them, whether demanded or not, are not paid within twenty (20) days after becoming due, or in the event Lessee files any petition in bankruptcy or insolvency or is adjudicated bankrupt or insolvent, or if any term, condition, or covenant of this lease on the part of Lessee to be by it performed shall be violated or neglected and such violation or neglect is not cured within twenty (20) days after written notice from Lessor, then in either of such cases, Lessee does hereby authorize and empower Lessor to cancel and annul this lease at once and to reenter and take possession of the premises immediately without any previous notice of intention to reenter, and to remove all persons and their property therefrom without such reentry working a forfeiture of the rents to be paid by Lessee.

16. **NOTICES**

Whenever under this lease any demand, notice, or declaration of any kind is required or desirable, it shall be in writing, served or sent by mail with postage prepaid; if to Lessor, addressed to them at Owatonna Parks and Recreation, Owatonna, Minnesota 55060; and if to Lessee, addressed at 500 Dunnell Drive, Owatonna, Minnesota 55060. Either party may, by like notice at any time and from time to time, designate a different address to which notices shall be sent. Such notices, demands, or declarations shall be deemed sufficiently served or given for all purposes hereunder when served or two (2) days after mailing as aforesaid.

17. **JOINT OR MUTUAL WAIVER OF SUBROGATION**

It is hereby understood and agreed by and between the undersigned parties that they do jointly and separately waive any and all right of recovery against the other for insured loss occurring at the property described herein.

IN WITNESS WHEREOF, the parties have executed this agreement the day and year first above written.

LESSOR
CITY OF OWATONNA

LESSEE
HEALTHY SENIORS OF STEELE COUNTY

By _____

Printed Name Tom Kuntz

Title Mayor

Date _____

By Edna Ringhofer

Printed Name Edna Ringhofer

Title Director Executive Director

Date 10/11/2024

By _____

Printed Name Kris Busse

Title City Administrator

Date _____



DATE: November 6, 2024
TO: Mayor and City Council
FROM: Mary Jo Knudson, Administrative Coordinator
SUBJECT: Donation - Corky's Early Bird Softball Tournament 2024

Purpose:

Council approval to accept a donation received from Loren Dietz, Board Member of Corky's Early Softball, Inc.

Background:

Prior donations from this softball tournament, held in Owatonna each May, were directed to the Park & Rec Youth Scholarship Fund. The 2023 donation, \$18,000, was directed to be held in account for future softball field improvements.

Budget Impact:

This year's donation of \$11,000 will be added to the existing account for future softball field improvements or projects to enhance the softball experience for future years in Owatonna.

Staff Recommendation:

Staff recommends accepting this donation of \$11,000 for future improvements.

Attachments:

None



DATE: November 6, 2024
TO: Mayor and City Council
FROM: Deanna Sheely, Communications Manager
SUBJECT: Photography Contract - Aaron Guzman Photography

Purpose:

Council approval of a Commercial Photography Contract with Aaron Guzman Photography to obtain an inventory of photos that represent City services, amenities and facilities in all seasons.

Background:

Current photos of City assets, services and amenities are outdated, poor quality or do not exist and photos needed for use.

Budget Impact:

The contract agreement is for \$2,000.

Staff Recommendation:

Staff recommends approval.

Attachments:

1. Photography Contract

PHOTOGRAPHY CONTRACT

THIS AGREEMENT, effective as of November ____, 2024 between Aaron Guzman Photography ("PHOTOGRAPHER"), and City of Owatonna, a Minnesota Municipal Corporation, ("City" or "Licensee") with its principal office at 540 West Hills Circle, Owatonna, MN, 55060-4701 .

WITNESSETH:

WHEREAS, Photographer is the owner of various originally produced images; and

WHEREAS, Photographer is the owner of the copyright rights to the images; and

WHEREAS, Photographer has the sole and exclusive right to sell, license, or authorize the use of such images; and

WHEREAS, City desires the right to purchase or use certain images as a Licensee for its municipal purposes; and

NOW, THEREFORE, in consideration of the mutual promises and covenants hereinafter set forth, and other valuable consideration as hereinafter described, the parties hereto agree as follows:

CONTRACT

I. THE GRANT

- a. The Photographer hereby grants the City the right to purchase or use as a Licensee certain photograph[s], more particularly described as:
 - ° Digital Photos
- b. The use of such photograph[s] described in paragraph I(a) above, is for municipal purposes, including:
 - ° Websites
 - ° Social media
 - ° Blogs, articles, magazines
 - ° Third party opt-ins
 - ° Marketing material
- c. This Agreement shall continue in force for two years from the effective date first written.
- d. The Territory of this Agreement is limited to: United States
- e. The grant of this License shall not be assignable or sub-licensable by the license without the prior written consent of the photographer.
- f. The total payment for ownership or licensure of such images shall not exceed the sum of **\$2000.00**, unless expressly agreed upon for subsequent services.

II. PHOTOGRAPHIC EVENT AND PRODUCT

- a. Payment shall be remitted by direct link provided by the invoice, check, cash, or other electronic payments. The total amount shall be remitted by City upon approval of this agreement.
- b. Should the City wish to amend or cancel this agreement during its term, it will be responsible for payment for services rendered up to that point. Any rescheduling must occur within the same calendar year.
- c. Completion schedules and delivery of products shall be determined from date of final approval by City. Third-party manufacturing laboratories are utilized for products and may provide restrictions on an order not outlined in this agreement. Licensee should place orders with sufficient time to allow for normal delays and notify Photographer at the time of the order if there are any extenuating circumstances requiring a quicker turn around. An expedited fee of \$50.00 shall be applied to expedited product requests. The Photographer shall not be held responsible for delivery delays due to the fault of manufacturing and/or delivery services.

d. The City has the right to select the photographic materials it wishes to own or license to use. The City shall receive a minimum gallery of **(between 25-50 digital camera images and 3-6 drone images)** of photographs to select from and to review, at its request, additional photographs not in the gallery. The photographer or drone pilot retains full discretion regarding the timing and location of drone flights in accordance with FAA regulations.

e. Digital Files. Approximately 1 week after the session date, the agreed-upon number of digital files will be available for viewing and downloading from an online, password-protected gallery.

f. Editing. Client agrees and understands that Photographer edits the proofs at his own artistic discretion, and said editing is included in the session fee. Additional heavy editing will be charged at any extra rate of \$50 per image, provided such editing is requested by the City.

g. Export of Digital Files:

° The Photographer shall export the digital files to the Client according to the specified parameters, delivering full-resolution files at 300 dpi.

h. Archive and Storage. The Photographer archives all proofed images from each session for a period of 12 months from the date of the session. After that time, the Photographer deletes all proofed images from his hard drive and all external hard drives. The Photographer is not responsible for digital files once they are downloaded by the Client. The Client is responsible for making electronic back-up copies of any digital files that are purchased from the Photographer and for keeping them in a safe place.

i. The Photographer shall not be held liable for matters pertaining to model releases, third parties, actors, or individuals who object to the use of their image in marketing materials, provided that Photographer shall obtain and keep on file a signed release and third-party permission to photograph such models, third parties, actors or individuals or to photograph their personal property in such photos.

III. LICENSE FOR USE OF IMAGES

a. City agrees to utilize the photograph[s] in a reasonable manner and in such manner that will not harm the professional reputation of photographer. The City agrees not to utilize the photograph[s] in any pornographic, illegal, libelous, scandalous, or such other manner that would tend to damage the image and reputation of the photographer.

b. Photographer and Licensee shall at all relevant times herein maintain the utmost good faith and fair dealing in their mutual duties under this agreement.

IV. COPYRIGHT

a. The City covenants and agrees to affix a proper copyright notice to any photograph[s] utilized under this agreement, excluding any photographs the City Owns. Such notice shall properly identify the photographer as the owner of the licensed image. Photographer shall provide Licensee the property copyright notice and identity of Photographer

b. Licensee acknowledges that the Photographer shall remain the sole author, sole owner and sole copyright claimant of any licensed photograph[s] and does not transfer ownership or control of said copyrights except as hereto agreed.

V. ACKNOWLEDGMENT OF RIGHTS

During the term of this Agreement and at all times thereafter the City acknowledges and agrees not to contest, or assist or induce others to do so, the Photographer's rights in photographs it owns.

VI. INDEMNIFICATION

a. Photographer agrees, at its sole expense, to indemnify, defend and hold harmless the City from and against any judgment, action, losses, deficiencies, damages, liabilities, cost and expenses (including reasonable attorneys' fees and expenses) incurred in connection with or arising from any claim, suit or proceeding brought against the City arising from any adverse claim of ownership to any rights, title, and interest in and to the licensed images, including, but not limited to, actions existing in copyright, trademark, unfair competition, passing off, or any other claim or cause action based on the rights of and/or ownership to the licensed images, or other intellectual properties which comprise this Agreement.

b. Photographer shall at all times during the term of this Agreement, and at all times after the termination hereof, indemnify and keep indemnified and hold City harmless from and against all expenses incurred and damages paid by City in respect of any third party claim or action against City arising from any claims, suit or proceeding brought against City for defamation, libel, slander, or invasion of privacy.

VII. THIRD PARTY INFRINGEMENT

The City will promptly call to the attention of Photographer the use of any photograph[s] licensed by the City by any third party which the City considers to be an infringement. Photographer and City shall consult with one another as to whether proceedings shall be brought against such third parties. In the event that Photographer and City decide that action should be taken against such third parties, Photographer may take such action in its own name or, alternatively, Photographer may authorize the City to initiate such action in City's name. City and Photographer agree to cooperate fully with one another to whatever extent it is necessary to prosecute such action, all expenses being borne by Photographer and all damages that may be recovered being solely for the account of Photographer.

VIII. FORCE MAJEURE

Neither party shall be liable for any delay in performing or failing to perform obligations if that delay or failure results from events or circumstances outside its reasonable control. Such delay or failure shall not constitute a breach of this agreement and the time for performance shall be extended by a period equivalent to that during which performance is so prevented provided that if such delay or failure persists for more than 90 days, nothing in this Clause shall be taken to limit or prevent the exercise by either party of its rights of termination under Clause IX without a claim arising from the termination against the party defaulting by reason of force majeure provided that any outstanding pre-existing claims shall not be thereby terminated.

IX. TERMINATION

a. This agreement shall terminate in the event that Photographer or City materially breaches any portion of this agreement. Such termination shall take effect immediately after fourteen 14 calendar days after notice of the breach from one party to the other. Both parties shall have the right to notify the other of their intent to take substantial steps to cure any breach. If such notice is delivered, the agreement shall not terminate, unless such substantial steps do not in fact occur. Upon termination the Photographer shall refund any prepaid fees for services not performed.

b. This agreement shall terminate forthwith in the event of bankruptcy or judicial or administrative declaration of insolvency of Photographer or Licensee that relate to any duty of performance under this agreement.

c. This Agreement may be terminated at any time by either party upon 14 days written notice to the other party.

d. Upon termination of this Agreement, City shall discontinue all use of the Licensed photograph in any manner whatsoever, (excepting any photos the license for which has not expired), and shall return any and all Photograph[s] to the photographer that remain in the Licensee's care, custody and control.

X. CONFIDENTIALITY

All terms and conditions of this agreement, and any duties and performances due under this agreement shall remain confidential. Neither Licensee nor Photographer shall use any information related to the commercial use of the photograph[s] or business operations of the other party, except inasmuch is necessary for adequate performance under this agreement. The obligations contained in this Provision shall expressly survive the termination, expiration or assignment of this agreement. Notwithstanding the foregoing the City shall comply with all requirements of the Minnesota Government Data Practices Act.

XI. MISCELLANEOUS:

- a. Any waiver by either Licensee or Photographer of any breach of a term or condition of this Agreement, or failure to perform under this agreement, shall not be considered as a waiver of any subsequent breach of the same or any condition hereof.
- b. If any provision, clause or section of this Agreement is declared void or unenforceable by any judicial or administrative authority, the remaining portions of this agreement shall remain in full force and effect.
- c. This Agreement shall not create or be construed to create a partnership, joint venture, association or any type of combination. No party shall have the power or authority to act as the agent of the other or to authorize or incur obligations on behalf of the other or to make on behalf of the other party any promises, warranties or representations.
- d. The parties expressly consent to jurisdiction and venue of the Minnesota State District Court of Steele County with respect to any suit, claim or dispute arising out of, or relating to, this Agreement. It is understood and agreed by the parties that the Court where litigation is first commenced will retain jurisdiction over any and all related claims or disputes arising out of and concerning this Agreement. Depending on which State any action may be commenced, this Agreement shall be deemed to have been made in such State, and shall be governed by and construed in accordance with the laws of such State.
- e. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors, assigns, parents, subsidiaries or otherwise related or affiliated companies.
- f. This Agreement, including this paragraph, may be modified or amended only by a writing signed by all parties to this Agreement.
- g. This Agreement represents the entire agreement of the parties, and all prior assertions, understandings, warranties and representations are merged herein. It is a final integrated Agreement which embodies all the terms, conditions, and representations between the parties, and the parties make no warranties, covenants or agreements, express or implied, except as expressly set forth herein.

IN WITNESS WHEREOF, the parties hereto have caused this License Agreement to be executed, in duplicate originals, by their duly authorized representatives as of the day and year first written above.

I confirm that I have read and understood this contract, and I agree to enter into this contract with Aaron Guzman Photography

Aaron Guzman

Aaron Guzman

Signed on September 27 2024 07:44 PM

CITY OF OWATONNA

By: _____

Thomas A. Kuntz, its Mayor

By: _____

Kris M. Busse, Its City Administrator



DATE: November 6, 2024
TO: Mayor and City Council
FROM: Eric Anderson, Recreation Manager
SUBJECT: Independent Contractor Agreement - Yoga and Pilates Instructor - Denise Stewart

Purpose:

Request City Council approval to renew the Independent Contractor Agreement with Denise Stewart.

Background:

Independent contractor, Denise Stewart, has provided yoga instruction for the City's Adult Leisure Pursuits program offerings for over 10 years. Yoga classes occur at West Hills Social Commons and West Hills Fitness Center. The Contractor is paid 70% of the revenue for instructing the program and issued card access into the buildings, resulting in no additional City staff time for the program. This is an annual agreement, with a renewal start date of January 1, 2025. Included in the renewal agreement is the addition of Pilates classes and an annual auto-renewal clause that was included to provide efficiencies in the agreement renewal process. The auto-renewal clause does provide cancellation options for both the City and Contractor.

Budget Impact:

The Independent Contractor is paid based on generated revenue. The City receives 30% of the generated revenue from the programs. The City provides a small storage area and manages all program registration. There are no other direct expenses.

Staff Recommendation:

Staff recommends renewal of this agreement with Denise Stewart.

Attachments:

1. 2025 Yoga & Pilates Instructor - Independent Contractor Agreement

YOGA AND PILATES INSTRUCTOR INDEPENDENT CONTRACTOR AGREEMENT

THIS AGREEMENT made and entered into this 6th day of November 2024 by the City of Owatonna, a municipal corporation, hereinafter referred to as the City, and Denise Stewart hereinafter referred to as Contractor.

WITNESETH

WHEREAS, City offers exercise programs to its senior members and desires the assistance of a certified Yoga and Pilates instructor; and

WHEREAS, Contractor desires to render the assistance and perform the services desired by the City; and

WHEREAS, Contractor agrees to perform the services for the City under the terms and conditions set forth in this agreement, the addendum to said specifications, and the form of proposal.

NOW THEREFORE, in consideration of the foregoing and in consideration of the promises hereinafter set forth, City and Contractor mutually agree as follows:

CONTRACTOR RESPONSIBILITIES:

1. **Support Park and Recreation Department.** Contractor shall report directly to the Recreation Manager or appointed designee and shall provide administrative support to the Recreation Manager, including the following:
 - a. Contractor will attend meetings as required by the Park and Recreation Department.
 - b. Contractor shall make recommendations regarding any aspect of the Yoga and Pilates Fitness Programs so as to improve the efficiency of operation and increase use of the activity.
 - c. Contractor shall help prepare information for a periodic newsletter and flyers.
2. **Public Relations.** Contractor shall be responsible for helping to market and promote the Yoga and Pilates Fitness Programs. Contractor is expected to determine the best means of marketing/promoting so as to increase participation of the Yoga and Pilates Fitness Programs.
3. **COVID-19 Compliance.** Contractor shall comply with and assist in the implementation of the City's COVID-19 Preparedness Plan including proper disinfection, sanitization and monitoring compliance with the plan guidelines on site and Contractor shall develop and implement a COVID-19 Preparedness Plan for the Yoga and Pilates programs.

4. **Contractor's Expenses.** Contractor shall be responsible for all his/her association membership fees and certification costs associated with this position.
5. **Equipment.** Contractor shall provide personal equipment for any training assessments conducted with clients.

CITY'S RESPONSIBILITIES:

1. **Storage Space.** The City will provide the Contractor with a storage location within the West Hills Social Commons or West Hills Tennis and Fitness Center.
2. **Facility Entrance and Use.** The City will issue the Contractor one (1) Key Card for entrance into the West Hills Social Commons and West Hills Tennis and Fitness Center Facilities and designated areas. The Contractor will only use the issued Key Card for entrance into areas and purposes of instructing City Sponsored Yoga and Pilates programs. The Contractor will not provide any unauthorized individuals the key or allow any unauthorized individuals to enter the Facility. The Contractor will follow all facility use, closing and lock up policies and procedures as instructed by City.
3. **Compensation.**
 - a. Contractor shall be paid 70% commission on all Yoga and Pilates classes revenue. Contractor shall be paid every other week, starting on January 22, 2025.
 - b. Contractor shall repay 70% of all refunds if he/she is unable to perform or failure to operate or cancels the program.
4. **Taxes Notification.** The City will instruct the Contractor that the collection and submission of all sales tax is done prior to Contractor payment.
5. **City Retains Authority.** The City will be responsible for making the decision to cancel the program due to weather or other causes at City's sole discretion.

GENERAL CONDITIONS:

1. **Relationship.** The parties intend that an independent contractor – employer relationship will be created by this contract. The City is interested only in the results to be achieved, and the conduct and control of the work will lie solely with the Contractor.
2. **Assignment.** Contractor will be responsible for and will superintend the execution of all work covered by this agreement, either personally or through a representative. If contractor uses a representative, the Recreation Manager shall give such person prior approval so as to ensure the City is satisfied that the representative is competent and qualified to represent Contractor in all matters pertaining to this agreement.

3. **Revenue.** It is understood and agreed that all fees established by the Owatonna Park and Recreation Board belong to the City. Cash register tapes shall be sole property of the City. Daily receipts shall be deposited at a designated night depository and will be picked up the following morning by Park and Recreation staff member.
4. **Liability Insurance.** Contractor shall take out and maintain during the term of this agreement Commercial General Liability insurance coverage to protect the Contractor, its officers, employees, agents, members and anyone directly or indirectly engaged or employed by Contractor from any and all claims for damage to property or for personal injury, including death, made by anyone, arising under this Agreement with the following limits of coverage:
 - Commercial General Liability coverage with limits of not less than \$1 Million per occurrence and \$2 Million annual aggregate.

Said policy to be issued by a company authorized to do business in the State of Minnesota and, if mutual, shall be non-assessable. Contractor shall provide the City with a Certificate of Insurance naming the City as an additional insured.

Contractor agrees to provide Workers Compensation insurance for all its employees in accordance with the statutory requirements of the State of Minnesota. Prior to providing services to the City pursuant to this Agreement or assigning an official to any City events, Contractor shall deliver to the City evidence that the above coverage is in full force and effect.
5. **Qualifications.** The Contractor shall deposit with the Park and Recreation Department at the time of the execution of the contract, a current certificate or certifications from an accredited provider (for example NETA), evidencing successful completion of training for the services being rendered to the City.
6. **Indemnification.** To the fullest extent permitted by law, Contractor agrees to defend and indemnify City, and its officers, employees, and volunteers, from and against all claims, damages, losses, and expenses, including attorney's fees, arising out of or resulting from the performance of its services under this Agreement but only caused in whole or in part by the negligent acts, errors or omissions of Contractor, Contractor's subcontractor(s), or anyone directly or indirectly employed or hired by Contractor, or anyone for whose acts Contractor may be liable. Contractor agrees this indemnity obligation shall survive the completion or termination of this Agreement.
7. **Subrogation.** In accordance with the subrogation provisions of the standard property insurance contract, it is hereby understood and agreed by and between the undersigned parties that they do jointly and separately waive any or all right of recovery against the other insured loss occurring to the real property owned by City and personal property

owned by Contractor all while located at the West Hills Social Commons or West Hills Tennis and Fitness Center.

8. **Personal Property.** The City shall not be liable for any damage to persons or properties in the space assigned to the Contractor. The Contractor agrees that all personal property upon such premises shall be kept at the risk of the Contractor only and the City shall not be liable for any damages thereto or loss or theft thereof.
9. **Cancellation.** This agreement shall be subject to cancellation by the City in the event of the happening of any one or more of the following:
 - a. In the event the Contractor is adjudicated bankrupt, has made an assignment for the benefit of his creditors, or because of Contractor's financial condition he/she is unable to continue successful operations.
 - b. Failure of the Contractor to perform, keep, and observe any of the conditions of the contract, and the failure of the Contractor to correct the default or breach within the times specified by the Recreation Manager.
 - c. Upon mutual consent of the city and contractor.
 - d. By either party giving written notice to the other party at least 90 days before the January 1 annual renewal date.
10. **Termination.** Upon termination of this agreement because of expiration of the term or upon termination for any other reason, the Contractor shall remove all personal property, and fixtures belonging to the Contractor and shall leave the premises in the condition in which they were received. In the event said personal property, and fixtures are not removed within thirty (30) days from expiration of this agreement or its termination for any other reason, the Contractor shall be deemed to have had abandoned the same to the City.
11. **Notice.** Any notice pursuant to this Agreement must be in writing and must be personally delivered, sent by email, or sent by certified mail, addressed to the parties at the addresses below or at such other address as they specify in written notice. Notices are deemed given and effective on the date of personal delivery or when sent by e-mail or certified mail.

If to City: Owatonna Parks and Recreation
Attn: Recreation Manager
540 West Hills Circle
Owatonna, MN 55060
Tel: 507-444-4321

If to Contractor: Denise Stewart
6979 NE 49th Ave
Medford, MN 55049
Tel: 507-390-0279

12. **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the State of Minnesota, without reference to conflict of laws principles.

13. **Miscellaneous.**

- a. **Force Majeure.** Neither party will be deemed to be in default under this Agreement if it is prevented from performing its obligations hereunder for any reason beyond its control or is materially adversely affected in the performance of its obligations by acts of God, acts of civil or military authority, fires, floods or other natural disasters, strikes, governmental laws and regulations.
- b. **Emergency Closure.** City may determine, at its sole discretion, that for reasons of health safety and in the best interests of the public it may close the facility as necessary.
- c. **Discrimination.** The Parties agree to be bound by applicable state and federal laws governing Equal Opportunity Employment and Non-discrimination.
- d. **Entire Agreement.** This Agreement, together with its exhibits and attachments, constitutes the entire agreement between the parties with respect to the subject matter, and supersedes all prior agreements, understandings, promises, and representations made by either party to the other concerning the subject matter of this Agreement.
- e. **Waiver.** The failure of any party to insist on the performance of any provision of this Agreement and to exercise any rights hereunder will not be construed as a waiver of future performance of any such provision or the future exercise of such right.

- f. Severability. If a court of competent jurisdiction holds any provision of this Agreement invalid or unenforceable, the remaining provisions will nonetheless be enforceable. If such court determines that any provision of this Agreement is held to be overbroad as written, such provision will be deemed amended to narrow its application to the extent necessary to make the provision enforceable according to applicable law and will be enforced as amended.
 - g. Costs, Expenses and Attorney's Fees. If either party incurs costs or expenses, in enforcing any of its rights under this Agreement, whether by litigation, arbitration, or otherwise, each party in such dispute will reimburse the prevailing party for its costs and expenses according to law. Each party will bear the cost of its own attorney fees.
 - h. No Third Party Beneficiaries. Nothing in this Agreement will create any obligations by City or Contractor or Licensee to any person or entity not a party to this Agreement, including Contractor's employees, volunteers or participants, or any other individuals employed by or under contract with City or Contractor.
14. **Term and Renewal**. Contractor may conduct business during the duration of the contract during specified seasonal hours of operation. The term of this Agreement is one (1) year, beginning January 1, 2025 and ending December 31, 2025 and will be renewed annually thereafter on a year-to-year basis unless cancelled as provided in Section 9.

****The remainder of this page is intentionally blank****

IN WITNESS THEREOF, the parties have hereunto set their hands the day and year first above written.

CITY OF OWATONNA

By _____

Printed Name Tom Kuntz

Title Mayor

Date _____

By _____

Printed Name Kris Busse

Title City Administrator

Date _____

CONTRACTOR

By Denise Stewart

Printed Name Denise Stewart

Title Yoga/Pilates Instr.

Date 10/28/24



DATE: November 6, 2024
TO: Mayor and City Council
FROM: Jenna Tuma, Assistant City Administrator
SUBJECT: Maintenance Agreement - City Wide - MEI Total Elevator Solutions (MEI)

Purpose:

Accept a three-year agreement from MEI for annual elevator Preventive Maintenance (PM) services.

Background:

The City has seven elevators and one lift within the government facilities; see the list below. The Facilities Department manages each unit's annual inspections and service. This is a three-year agreement with a 90-day auto-renewal.

As part of the best practice approach of having the Facilities Department manage the annual service agreements, staff worked with MEI to combine all outstanding agreements into one (except for LEC) and benefit from existing pricing, saving the City over \$3000 with this agreement.

- Art Center (1)
- City Hall (1) elevator, (1) lift
- Fire Hall (1) elevator
- Law Enforcement Center (2) elevator (not included in this agreement)
- Library (1) elevator
- Social Commons (1) elevator

This annual preventative maintenance agreement provides inspections twice yearly: for full service in the fall and inspection in the spring. The schedule of services is attached.

The two elevators at the Law Enforcement Center (LEC) are under a separate three-year agreement for Parts Oil and Grease service agreement because of the age of the units and a lot of the equipment being obsolete.

This service approach supports the City's vision and key focus areas of **Infrastructure and Efficient, Effective Government**, as outlined in the FY2024 – 2026 Strategic Plan.

Budget Impact:

Funds are budgeted into the Facility's operating budget.

Art Center	\$2,199.42
City Hall	\$2,969.62
Fire Hall	\$2,199.42
Library	\$2,199.42
Social Commons	<u>\$2,199.42</u>
Total agreement	\$11,767.30

Staff Recommendation:

Staff recommends approval of the MEI Total Elevator Solutions Agreement.

Attachments:

1. MEI Service Agreement

MAINTENANCE AGREEMENT

Contract Type: FULL MAINTENANCE including regular hour call back service (8:00 AM-4:30 PM)

This Maintenance Agreement ("**Agreement**") is proposed as of this 11th day of October, 2024 (the "**Effective Date**") between MEI Total Elevator Solutions ("**MEI**"), and "**Customer**": CITY OF OWATONNA, 540 WEST HILLS CIRCLE, OWATONNA, MN 55060. MEI and Customer are collectively referred to herein as the "**Parties**" or individually as a "**Party**". MEI proposes to furnish certain maintenance services to Customer as provided herein.

Equipment/Service Frequency:

Elevator Name	Building Address	Elevator ID or Serial #	Elevator Type	Elevator Style	Service Frequency
CITY OF OWATONNA - FIRE DEPT	107 W MAIN ST	ELV-16513	HYDRO	PASSENGER	MONTHLY
CITY OF OWATONNA - SENIOR PLACE	500 DUNNEL DRIVE	ELV-17364	HYDRO	PASSENGER	MONTHLY
CITY OF OWATONNA - OWATONNA LIBRARY	105 NORTH ELM AVENUE	ELV-17362	HYDRO	PASSENGER	MONTHLY
CITY OF OWATONNA - ADMINISTRATION	540 WEST HILLS CIRCLE	ELV-17363	HYDRO	PASSENGER	MONTHLY
CITY OF OWATONNA - ADMINISTRATION	540 WEST HILLS CIRCLE	ELV-06001	LIFT	PASSENGER	QUARTERLY
OWATONNA ART CENTER	435 GARDEN VIEW LANE	ELV-1034573	HYDRO	PASSENGER	MONTHLY

Agreement**1. SERVICES**

Subject to the provisions of this Agreement, MEI will perform the services described below for the benefit of Customer (the "**Services**"). If Customer requests services not covered by this Agreement, Customer agrees to pay MEI for such additional Service at MEI's then-current rates. MEI may agree with Customer to provide additional scheduled services, in which case additional maintenance agreements may be signed. Services will be provided pursuant to the terms and conditions in this Agreement and MEI's Terms and Conditions (the "**T&C**").

2. SERVICE FEES

Customer shall pay to MEI the amount of \$11,767.30 per year during the first year of the Initial Term, payable on the following frequency: **\$11,767.30/Year**. Thereafter, Customer shall deliver to MEI payments in the amount of MEI's then-current rates for the Services ("**Service Fees**"), payable in the same frequency specified above. All pricing is exclusive of applicable taxes and shall be adjusted by MEI on an annual basis. This proposed pricing is only valid if signed within ninety (90) days from date of proposal as stated in the first page of this Agreement.

3. TERM AND TERMINATION

Each of the Services will be provided for the term starting on 11/01/2024 and continuing for 36 months thereafter (the "**Initial Term**"). Upon expiration of the Initial Term, the term shall automatically renew for successive twelve (12) month terms (each a "**Renewal Term**", and together with the Initial Term, "**Term**"), unless either Party gives the other Party written notice of its intent not to renew at least ninety (90) days prior to the expiration of the then-current Term.

If Customer terminates the Agreement before the end of the Term, for any reason not permitted by the Agreement or if MEI terminates any Service or the Agreement for Customer's Event of Default, an early termination charge will become immediately due and payable to MEI for the Service(s) involved, and Customer agrees to pay the lesser of: (a) twelve (12) months of Service fees based on the then current Service fee; or (b) 100% of the Service fees due for remaining months in the Term. Customer agrees the early termination charge: (i) is a fair estimate of the damages to MEI and is not a penalty; and (ii) shall be paid to MEI not later than the later of any due date identified on the invoice

or twenty (20) days after the date the affected Service is terminated.

4. PAYMENT TERMS

All Service Fees are due and payable to MEI on a Net 30-day basis. If Customer fails or refuses to pay MEI all or any part of the Services Fees when due, MEI may use any remedy specified in the T&C. Service Fee invoices issued under this Agreement will be billed as of the first business day of the Service cycle, for Services to be performed during said cycle. Invoices issued under this Agreement for additional work will be billed as the work is performed and are due and payable to MEI on a Net 30-day basis.

5. DESCRIPTION OF SERVICES

MEI will provide the following services and if conditions warrant, repair or replace the following as applicable by equipment type except as excluded within this contract:

- Replace lubricant as required
- Inspection of:
 - Door equipment
 - In-Cab operating panel, inclusive of floor designation buttons, switches, position indicator, emergency alarm bell and lights
 - Light curtains (Customer is responsible for wiping and keeping lenses clean. Using liquids is not recommended)
 - Cartop equipment
 - Rails & rail brackets (the repair or replacement of these items is not included in this Agreement)
 - Fasteners
 - Slide and roller guides
 - Slow down and limit switches
 - Hall station fixtures, buttons and light bulbs
 - Hoistway
 - Elevator pit and pit devices
 - Traveler cables
 - Door closers
 - Door hanger rollers
 - Door gibbs
 - Secondary fire/explosion retainers -In the event that there are no existing secondary fire/explosion retainers, MEI will provide the Customer with a proposal to furnish and install these systems. Once installed, they will be covered under this Agreement.
 - Hydraulic jack and piston
 - The jack and piston are not covered for replacement.
 - Elevator sills where not accessible to non-qualified personnel (Customer is responsible for keeping sills free of debris)
 - Controllers, including relays, resistors, contacts, coils, leads, transformers, timing devices and solid-state components.
- Inspection and testing of in-cab emergency phone
 - Emergency phones are not covered for:
 - a. replacement, or
 - b. trouble shooting due to inoperable or faulty phone lines.
- Keep machine rooms organized and neat.

Traction Applications

- Machine: Inclusive of worm gear, thrust bearings, drive sheaves, drive sheave shaft bearings, brake coils, brake linings and components
- Motor generator: Inclusive of brushes and brush holders. All other material or labor involving generators is not covered under this Agreement.
- Rope and cable grippers for ascending car
- Non - Proprietary suspension means. Only Traction steel cables are covered under suspension means
 - If your elevator currently has Babbitt shackles MEI will require replacement of these upon replacement of the traction 8x19 machine ropes /counterweight ropes. MEI will provide a bid for changing out the Babbitt shackles to the new style wedge shackles. Replacement of the shackles is required by MEI in order to change the traction ropes and replacement is not part of this Agreement.
- Suspension cable retainer clips
- Existing suspension cable & anti spin devices - In the event that there are no existing suspension cable anti spin devices, MEI will provide the Customer with a proposal to furnish and install these devices. Once installed, they will be covered under this Agreement.
- Maintainable deflector and compensation sheaves
- Non-proprietary speed governing devices
- Speed governing tail sheaves and bearings
- Speed governing traction steel cable
- Overspeed car stopping safeties
- Rope/Cable tensioning
- Over speed governors
- Over speed safety switches
- Compensating sheaves
- Compensating chains and whisper flex
- Spring buffers car & counterweight
- Oil buffers car & counterweight
- Buffer safety switches car and counterweight
- Counterweight guides

Hydraulic Applications

- Pump unit
- Motor
- Muffler
- Leveling valves
- Valve magnet coils
- Packings. Limited to non-inverted/non-telescopic
- Hydraulic oil
 - Customer is responsible for added costs of bio safe oil, if applicable
- Elevator motor starter of contactor style and solid state - In the event that the elevator motor starter should need to be replaced, MEI will replace the existing style of starter as part of this Agreement, obsolescence notwithstanding. If the Customer wishes to change to a solid-state starter, MEI will provide a bid for the change. Once replaced, the solid-state starter will be covered under this Agreement.

MEI will where possible: (a) in keeping with customary practices, maintain the original speed of the elevators in feet per minute and the original performance time including acceleration and deceleration, door opening and closing time within the limits of applicable codes; and (b) if applicable, make periodic checks of the group dispatching and supervisory system and make necessary tests and adjustments to maintain design standards.

Except as set forth herein, no services, parts or other work is included or intended by this agreement. The Equipment consists of mechanical and electrical devices subject to wear and tear, deterioration and malfunction as a result of causes out of our control. The Services do not guarantee against failure of or malfunction, but are intended to reduce wear and tear and pro-long life of equipment.

MEI shall not be required to make changes or modifications in design or to make any replacements with obsolete components. Obsolete components are defined as any parts, components, software or equipment either twenty (20) or more years from original installation, or no longer available new from the original equipment manufacturer.

MEI has no liability or responsibility for the following items of elevator equipment unless specifically assumed in an applicable service schedule: rail alignment, car enclosure (including removable panels, door panels, car gates, plenum chambers, hung ceilings, light diffusers, light ballasts, light tubes and bulbs, handrails, mirror and floor coverings); hoistway, inserts, brackets, gates, doors, frames and sills; cylinders, plungers and buried equipment; smoke or heat sensors; sump pumps, ventilation equipment, electrical feeders and main line disconnects; emergency bells, batteries, battery packs, battery lowering, battery back-up and emergency power systems; security access, card reader, security camera systems; fire alarm systems, car lighting, machine room lighting, pit lighting, emergency lighting, emergency phone or emergency phone wiring; or machine room and hoistway temperature control systems and failure of any and all equipment resulting from failure or inadequate operation of temperate control systems.

6. WORK HOURS/CALLBACKS

MEI's 24-hour elevator service center will dispatch a technician to perform emergency minor adjustment callback service when contacted in the event of an untimely elevator malfunction. Customer will be charged according to the callback service coverage defined within this section of the Agreement. If Customer cancels the callback service after the technician is dispatched, Customer will only be invoiced for the time and travel incurred by the technician.

The Services listed above will be performed during MEI's normal working hours (8am-4:30pm Monday through Friday, excluding holidays). The Services also include emergency adjustment callback service during regular working hours. If Customer desires examination or minor adjustment callback service to be made outside of regular work hours, Customer will be charged MEI's then current overtime or double time billing rate depending on the date and time the service is performed. The following holidays are excluded from regular working hours: New Year's Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day, Friday after Thanksgiving Day and Christmas Day. Any holiday that falls on a Saturday will be observed on the previous Friday, and any holiday falling on a Sunday will be observed on the following Monday. All regular and non-emergency services shall be performed during MEI's normal working hours on regular working days.

7. ADDITIONAL TERMS

The provision of the Services and payment therefore is subject to, and Customer agrees to be bound by the T&C as published by MEI from time to time, a current copy of which is attached hereto. This Agreement: (i) may be executed in counterparts, including electronic counterparts, each of which shall be deemed an original but all of which shall be deemed one and the same Agreement; (ii) is binding upon and inures to the benefit of MEI and Customer and their respective successors, transferees, or assignees; (iii) together with the T&C, constitutes the entire agreement between the Parties with respect to the subject matter hereof, superseding all prior agreements, representations, communications and understandings, oral or written; and (iv) may not be amended except by a written agreement signed by both Parties. If there is a conflict between the terms of this Agreement and the T&C, the Agreement shall govern and supersede the T&C.

8. SPECIAL CONDITIONS

The following is a list of (a) additional services that will be included within the Services; or (b) products or services that are excluded from the Services, within the scope of the Agreement:

Special Conditions by Elevator:

ID	Elevator Name	Elevator Description	Manufacturer	Elevator Type	TESTS
					NLT
1	CITY OF OWATONNA - FIRE DEPT	MN16513	SCHINDLER	HYDRO	☒
2	CITY OF OWATONNA - SENIOR PLACE	MN17364	MEI	HYDRO	☒
3	CITY OF OWATONNA - OWATONNA LIBRARY	MN17362	VIRGINIA C	HYDRO	☒
4	CITY OF OWATONNA - ADMINISTRATION	MN17363	MEI	HYDRO	☒
5	CITY OF OWATONNA - ADMINISTRATION	MN06001	CHENEY	LIFT	☐
6	OWATONNA ART CENTER	MN1034573	THYSSEN	HYDRO	☒

☒ = Included

NLT (No Load Test or Pressure Test) - This test is completed annually in accordance with ASME A17.1 standards.

- Phone monitoring is not included in this agreement. It is the responsibility of the customer to provide and maintain phone monitoring service.

9. CREDIT AUTHORIZATION

By signing this Agreement, Customer hereby applies for credit and affirms financial responsibility, ability and willingness to pay invoices in accordance with the terms of this Agreement. The provided information is warranted to be true and complete. Customer hereby authorizes MEI to verify and collect information on Customer, including, but not limited to, bank references, trade credit references, consumer and/or commercial credit reports. Customer agrees to pay: (i) a monthly finance charge equal to the maximum applicable state rate on all past due balances; and (ii) all costs of collection and attorney's fees incurred by MEI arising from any default by Customer under this Agreement. Customer agrees that all decisions with respect to the extension or continuation of credit shall be in the sole discretion of MEI.

IN WITNESS WHEREOF, each Party represents that it has caused this Agreement to be executed by an authorized agent or representative who, on the date of such signing, has the necessary authority, corporate, municipal, or otherwise, to bind the Party. By signing below, Customer agrees to engage MEI to perform the Services in accordance with this Agreement and the T&C, and agrees to pay for all Services.

MEI Total Elevator Solutions

By: _____

Signature: _____

Title: _____

Date: _____

Accepted by:

(CUSTOMER)

By: _____

Signature: _____

Title: _____

Date: _____

MEI TERMS AND CONDITIONS ("T&C")

1. Purchase and Payment. Pursuant to the applicable Maintenance Agreement, purchase order or quote (collectively, "Agreement"), Customer agrees to purchase, the Product or Services described in the Agreement. Except as defined herein, all capitalized terms have the meaning ascribed to them in the Agreement. Customer agrees to pay all sums specified in the Agreement within 2 days of the due date, without any deduction or setoff. MEI reserves the right to: (i) apply fuel surcharges as applicable and necessary when rates of these goods exceed the normal allowances calculated into a service Schedule; and (ii) add all applicable taxes as prescribed by law. Customer shall pay any and all of Customer's third-party vendor fees, such as accounts receivable / payable administrators. All credit card payments made by Customer may be subject to the addition of credit card processing fees. If customer elects to pay MEI by credit card, Customer agrees to these fees. Customer agrees to receive MEI's invoices electronically, and if Customer requires other delivery, shall pay MEI's then-current delivery fee.

2. Standard Warranty. MEI warrants that any new Product, including materials and equipment to be furnished as part of the Product, shall be of good quality, in conformance with all legal requirements, and will be free from defects in material and workmanship for twelve (12) months from the date of installation (the "Standard Warranty"). Any refurbished parts, if available, carry a warranty that such parts shall be of good quality and free from defects in materials and workmanship for a period of ninety (90) days from installation. This Standard Warranty shall not apply to: (i) any Product that has been subject to misuse, misapplication, neglect (including without limitation improper maintenance and storage), accident, improper installation, modification (including without limitation use of unauthorized parts of attachments), adjustment or repair; or (ii) damage, loss, or diminution of or to any Product related to normal wear and tear, or usage of wear parts. (iii) damage caused by disasters such as fire, flood, wind, lightning, electrical surge or power outage; (iv) corrosion from exposure to liquids or atmospheres; (v) any parts or components installed or modified by a non-MEI mechanic during the term or extended term of the Agreement with MEI; or (vi) Customer's failure to properly clean or care for the Product. Notwithstanding any contrary provision or agreement, MEI's maximum liability for Products, whether in contract, negligence, or strict liability in tort, is limited to the repair or replacement of the Product at issue, or the parts thereof.

3. Service Terms and Conditions.

(a) **Excluded Services.** Except as specified in the Agreement, the Services specifically exclude the following, which at Customer's option may be performed separately by MEI at MEI's then-current rates: (i) repairs or damage related to Customer negligence, misuse of the Services; (ii) repairs required as a result of persons other than MEI's authorized representatives performing any maintenance, modification, or relocation of any equipment, accessories, products, or software necessary to MEI's performance of Services; (iii) repair or damages to Customer's property (real or personal) necessitated by or related to accident, theft, unexpected loss, abuse, electrical power failure, flood, fire, lightning, or corrosive environments; (iv) repairs or service calls necessitated by complete or partial failure of transmission medium (ie telephone lines, computer networks, or worldwide web) or for equipment malfunction caused by such transmission medium, or interference caused by third parties beyond the control of MEI, power surges, liquids, or repair or maintenance of a transmission line; (v) Customer initiated reprogramming of or interference with any equipment, custom or special products, or software necessary to MEI's performance of Services. MEI specifically excludes any equipment defined by MEI as proprietary/single source, including but not limited to software (including software upgrades), service and diagnostic tools, removable electronic media devices, proprietary suspension traction equipment and any/all additional software, equipment, manuals or procedures not available and/or deemed obsolete by the OEM. MEI has no liability or responsibility for problems arising from building compression, shifting hoistway enclosures, or for damage resulting from the performance of any safety test. MEI is not responsible for any defects in design or installation or for abuse to the equipment which occurred prior to maintenance by MEI, whether or not such defects in design or installation or abuse are observed by MEI prior to commencement of Services.

(b) **Customer's Obligations.** Customer shall: (i) furnish and maintain a dedicated phone line for use with the emergency phone in the elevator cab, assure such phone line's continuous operation for emergency phone use, notify MEI of any problems that occur with this line, and Customer will immediately correct any problems; (ii) when required by applicable code, furnish and maintain a dedicated data/internet connection (with code compliant backup power) for use with the emergency two-way video/visual communication device(s) in the elevator cab, insure its continuous operation for emergency use, notify MEI of any problems that occur with this connection, and Customer will immediately correct any problems. Any charges imposed by a 3rd party to allow for monitoring capabilities of the emergency two-way video/visual communication device(s) will be in addition to the pricing provided herein and subject to additional markup; (iii) cooperate with MEI in all matters relating to the Services, and respond promptly to MEI's request to provide direction, information, approvals, authorizations and decisions; (iv) obtain and maintain all necessary permits related to the equipment; and provide all wiring prints and diagrams and a copy or version of the controller software; and (v) not provide itself or allow provision by others of any other services related to the equipment referenced in the Agreement. Customer agrees to provide MEI with full immediate access to all areas of Customer's facility in which the elevator(s) and associated equipment is located. Failure to provide such access will result in the Service Fees being earned and payable by Customer, even if the applicable Service is not completed. Customer shall maintain the machine rooms(s) and elevator pit area(s) to be free from water, debris and stored materials. MEI is not responsible or liable for personal injury or property damage due to the action or failure of any part of the elevator equipment during testing. If subsequent repairs are necessary to obtain proper operation of the equipment to meet the requirements of these tests, such work will be proposed at additional cost under separate work order. Any testing of emergency/standby power systems that require completion outside standard hours will be billed at current charge out rates. It is Customer's responsibility for the cost of correcting all elevator code violations existing at the time the Agreement is executed. If such code violations or other outstanding safety violations are not corrected within thirty (30) days, MEI may cancel the Agreement without penalty by providing thirty (30) days written notice to Customer. For the safety of our employees and our collective liability, Customer will not allow any other party (including its own employees) to make alterations, additions, adjustments, repairs or replacements of any component or part of the equipment during the term, or any renewal terms of the Agreement, without providing MEI with advance written notice prior to Customer's authorization of any work by others. Customer's notice must include all copies of proposal(s) by others for MEI to review. If any work by others is completed without such prior written notice to MEI, any components or related components of the scope completed by others will immediately be EXCLUDED from coverage in this Agreement, and MEI reserves the right to cancel the Agreement at its sole discretion, upon written notice to Customer. For work completed by others following the above notice to MEI, MEI may

review the completed work and determine if the same is included or excluded from coverage under this Agreement. If during the Term, Customer refuses to undertake repairs or modernize its Equipment after MEI has reasonably determined Customer's Equipment has reached end of useful life or it is not economical for either party to continue to repair the existing Equipment, then MEI shall have the right to terminate this Agreement upon twenty (20) days advanced written notice to Customer, with Customer having the right to cure during such twenty (20) day period.

4. Limitations. Unless directly resulting from MEI's gross negligence or willful misconduct, nothing herein or in the Agreement shall be construed to mean that MEI assumes any liability for any accidents or injury to persons or property. Customer retains all liability and responsibility for accidents or injuries to any person or property while riding on or being in or about the subject elevators or related equipment.

(a) **DAMAGES.** IN NO EVENT SHALL MEI OR ANY OF ITS EMPLOYEES, OFFICERS, MANAGERS, DIRECTORS, OWNERS, SUCCESSORS OR ASSIGNS BE LIABLE UNDER THE AGREEMENT OR THESE T&C TO CUSTOMER OR ANY THIRD PARTY FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL OR PUNITIVE DAMAGES, INCLUDING ANY DAMAGES FOR BUSINESS INTERRUPTION, LOSS OF USE, DATA, REVENUE OR PROFIT, WHETHER ARISING OUT OF BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, REGARDLESS OF WHETHER SUCH DAMAGES WERE FORESEEABLE AND WHETHER OR NOT CUSTOMER WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

(b) **MAXIMUM LIABILITY.** EXCEPT WHERE A LIABILITY DIRECTLY RESULTS FROM MEI'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, WITHOUT LIMITING THE PROVISION OF SECTION 4(a), IN NO EVENT SHALL MEI'S AGGREGATE LIABILITY EXCEED, WITH RESPECT TO PRODUCTS OR SERVICES, THE GREATER OF: (I) \$25,000; OR (II) THE TOTAL AMOUNT PAID TO MEI PURSUANT TO THE AGREEMENT IN THE TWELVE-MONTH PERIOD PRECEDING THE EVENT GIVING RISE TO THE CLAIM. The prior sentence limiting liability and damages is a material part of the Agreement, and MEI would not have sold the Product or provided the Services on terms as favorable to Customer as set forth in the Agreement.

(c) **EXCLUSIVE REMEDY.** CUSTOMER'S SOLE REMEDY WITH RESPECT TO PRODUCTS SHALL BE THE STANDARD WARRANTY, AND MEI'S SOLE LIABILITY SHALL BE COMPLIANCE WITH THE STANDARD WARRANTY.

5. Indemnification. Each Party (as "*Indemnifying Party*") shall indemnify, defend and hold harmless the other Party and its officers, managers, directors, employees, successors and assigns (collectively, "*Indemnified Party*") against all losses, damages, liabilities, claims, actions, judgments, settlements, awards, costs, or expenses of whatever kind, including reasonable attorneys' fees, actually incurred by Indemnified Party or actually awarded against Indemnified Party, resulting from: (i) breach or non-fulfillment of any representation, warranty or covenant under the Agreement by Indemnifying Party, its employees or agents; (ii) any negligent or more culpable act or omission of Indemnifying Party and its employees and agents (including without limitation reckless or willful misconduct) in connection with the performance of its obligations under the Agreement; (iii) bodily injury, death of any person or damage to real or tangible personal property caused by the negligent or more culpable acts or omissions of Indemnifying Party, its employees or agents (including any reckless or willful misconduct); or (iv) any failure by Indemnifying Party to comply with any applicable federal, state or local laws, regulations or codes in the performance of its obligations under the Agreement. Notwithstanding the foregoing, MEI shall not be obligated to indemnify any Customer Indemnified Party if the loss or damage arises from or relates to breach of the Agreement by, or negligence or misconduct of, Customer or its employees, agents, managers, representatives, or contractors.

6. Default. An event of default ("*Event of Default*") under the Agreement or these T&C shall occur upon the occurrence of all or any one of the following events: (i) Customer does not pay any amount due to MEI under the Agreement; (ii) Customer ceases doing business as a going concern; (iii) Customer makes an assignment for the benefit of its creditors or admits in writing to its inability to pay its debts as they become due; (iv) Customer files, or has filed against it, a petition in bankruptcy or for its reorganization, arrangement, composition or readjustment under any state insolvency law or Customer liquidates all or a substantial part of its assets not in the ordinary course of its business, dissolves or takes other similar action; (v) Customer has taken or allowed any action or permitted any condition, that has compromised the health, safety, or code compliance of the Product or Service; or (vi) Customer shall default in the performance of any of its obligations arising under the Agreement, these T&C, any service schedule, or any other agreement between Customer and MEI, and such default is not cured within fifteen (15) days of MEI providing notice of same. MEI shall not be default of this Agreement unless and until Customer has notified MEI in writing of the alleged default, and MEI has had thirty (30) days to remedy the alleged default.

7. Remedies. Upon the occurrence of any Event of Default, MEI may at its option and without notice or demand, exercise all or any one of the following remedies: (a) suspend provision of Services, but Customer shall continue to pay all Service Fees through the end of the Term, even if Services are suspended, (b) upon written notice to Customer, terminate this Agreement and any other agreement between Customer and MEI; and/or (c) take additional action as may be appropriate to mitigate additional damages to MEI; The foregoing remedies are cumulative and may be exercised successively or concurrently.

8. Assignment. MEI may without the consent of Customer, assign MEI's rights and obligations under the Agreement, and may subcontract any portion of MEI's performance of the Agreement to a third-party. Customer may not assign the Agreement or otherwise transfer its rights or obligations under the Agreement to any third-party without the prior written consent of MEI. In the event of the sale, lease, assignment or other transfer of Customer's facility described herein, Customer agrees to disclose in writing to such successor the Agreement, and if all of Customer's obligations under the Agreement are not assumed in writing by such successor, Customer agrees to continue to be bound by the terms hereof.

9. Governing Law; Venue. The validity, construction and performance of the Agreement and these T&C shall be governed by and construed in accordance with the law of the state where the Services are performed, without reference to any choice of law principals, but the specific performance provisions and right of MEI to seek injunctive relief for Customer's breach of the covenants contained herein may also be enforced in any other state wherever such breach occurs, and in accordance with the laws of such other state, to the extent necessary to secure enforcement in such other jurisdiction.

10. Force Majeure. MEI shall not be liable for any failure of performance hereunder due to causes beyond its reasonable control, including but not limited to: act of God, fire, flood, earthquake, terrorist act, national emergency, war, strike, lock-out, change in law, work stoppage or other labor difficulty, action or inaction of an independent third party utilized in providing the Services, or unavailability of materials.

11. Waiver of Jury Trial. Each Party agrees that any controversy that may arise under the Agreement, including schedules attached to the Agreement, is likely to involve complicated and difficult issues and, therefore, each Party irrevocably and unconditionally waives any right it may have to a trial by jury in respect of any legal action arising out of or relating to the Agreement, or the transactions contemplated hereby.

12. General Provisions. The following sections of the T&C shall survive termination or expiration of the Agreement: 2, 3, 4, 5, 6, 7, 9, 10, 11, and 12. The relationship of the parties created by the Agreement is that of independent contractors and not partners, joint ventures, agents, or otherwise. No waiver by either Party of any right under, or breach of, any provision of the Agreement shall be construed as a waiver of any continuing or succeeding breach of such provision or right. The Agreement these T&C: (i) are binding upon and inure to the benefit of MEI and Customer and their respective successors, transferees, or assignees; and (ii) constitute the entire agreement between the Parties with respect to the subject matter of the Agreement, superseding all prior agreements, representations, communications and understandings, oral or written. A determination that any provision of the Agreement is invalid or unenforceable shall not affect the other provisions of the Agreement. The Agreement may not be amended or modified except by a written agreement signed by both Parties. In the event of a conflict between the main body of the Agreement and these T&C, the Agreement will take precedence, and shall supersede and be controlling over the T&C. By accepting delivery of the Products or Services, Customer is also agreeing to these T&C. Except for the money due upon an open account, no action may be brought for any breach of the Agreement or these Terms and Conditions more than one (1) year after the accrual of such cause of action. Customer agrees to receive invoices, notices and other communications under this Agreement at the address listed in the Agreement until Customer notifies MEI in writing of any changes in mailing address. Failure to notify MEI of any address changes does not change the delivery status of delivered invoices or other notices. Customer agrees to promptly notify MEI of any billing errors and understands that its failure to notify MEI does not change the due date or payment status of an invoice.

Please provide the following required information at the time the signed contract is returned:

Invoice Contact

Name: _____ Phone Number: _____

Email: _____ Fax Number: _____

Billing Address: _____

*Please provide tax exempt documentation should it be applicable

If PO's are required for Service or Trouble Calls, please provide the initial PO number(s) for each type of billing:

Service Ticket Contact (Optional – Only fill out if your organization requires notice)

List the person you would like to receive the electronic Service Ticket, which will be sent following the completion of each Preventative Maintenance.

Name: _____ Phone Number: _____

Email: _____

Site Contact

Who is the primary contact on site for our mechanics?

Name: _____ Phone Number: _____

Email: _____

Are there special instructions for gaining access to the building as well as the elevator equipment?
(Basement, Machine Room...)

Are keys required for mechanics to access the locations or elevator machine room? _____

Provide the phone number assigned to the elevator emergency phone.

Please ensure all wiring diagrams and prints are available in your elevator equipment room. If you are relieving another provider from service, please ensure they do not take those prints, as they are YOUR property and are required to be available per State code.

RECAP:

\$	30,892.02	AvFuel Corp - Airport fuel for resale
	20,314.34	Central Farm Service - Fleet fuel
	116,942.45	Crane Creek Asphalt - Asphalt
	53,833.00	Environmental Plant Svces Inc - Merrill building - asbestos pay est #1
	30,658.00	Hawkins - Chemicals
	570,000.00	Legence Subsidiary Holdings LLC - Merrill Hall pay est #10
	233,590.20	Near North Title Group - Purchase 401 Barney St
	130,529.50	Nero Engineering - WWTF Upgrade & Expansion Services - September 2024
	32,944.64	Owatonna Area Chamber of Commerce - August 2024 lodging tax
	1,093,383.50	Rice Lake Construction Group - WWTP Expansion pay est #28
	36,800.00	Right-Way Painting Inc - Merrill Hall painting
	138,158.96	Southeast Service Cooperative - October 2024 health ins premiums
	79,678.25	Steve James Excavating Inc
		- Council Chambers parking lot - \$42,650.00
		- Catch basin replacements - \$21,461.00
		- Vine Street alley repair - \$12,923.13
		- Misc. repairs & dirt work \$2,644.12
	159,367.16	Truck Center Companies LLC - 2025 Western Star 47X Plow - Street department
	80,156.25	Turfwerks - (2) Jacobson mowers - golf course
	22,505.71	US Bank - Entire organization monthly credit card purchases Aug/Sept 2024
	24,597.36	Vessco - Auger assembly for bar screen compactor - WWTP
	1,043,193.39	Wencl Construction
		- 23005 Vine Street lot pay est #1 - \$291,582.55
		- 24001 Street & Utility pay est #3 & 4 - \$751,610.84
	<u>365,860.13</u>	OTHER EXPENDITURES
\$	4,263,404.86	<i>SUBTOTAL</i>
	<u>109,385.48</u>	HRA HOUSING ASSISTANCE PAYMENTS
\$	<u><u>4,372,790.34</u></u>	TOTAL EXPENDITURES PRESENTED FOR APPROVAL

NOTE: Checks over \$20,000 are detailed out individually

Check Number	Check Date	Vendor Name	Net Check Amount	Check Status	Check Type
Cash Account: 999-19100-000-000-000000					
380230	10/20/24	CLOVER CONNECT	1,625.24	R	Wire Transfer
380231	10/20/24	GLOBAL PAYMENTS INTEGRATED	2,368.35	R	Wire Transfer
380232	10/20/24	MN DEPT OF LABOR AND INDUSTRY	3,548.98	R	Wire Transfer
380233	10/20/24	MN DEPT OF REVENUE	5,626.87	R	Wire Transfer
380234	10/20/24	SOUTHEAST SERVICE COOPERATIVE	138,158.96	R	Wire Transfer
380235	10/20/24	US BANK	22,505.71	R	Wire Transfer
380236	10/20/24	WEX BANK	1,506.81	R	Wire Transfer
380237	10/20/24	WEX HEALTH INC	343.75	R	Wire Transfer
380238	10/22/24	ADVANCED ENGINEERING & ENVIRON	273.00	0	Regular
380239	10/22/24	ALEXANDER LUMBER COMPANY	440.34	0	Regular
380240	10/22/24	ANHORN'S GAS & TIRE	52.45	0	Regular
380241	10/22/24	APG MEDIA OF SO MINNESOTA LLC	261.25	0	Regular
380242	10/22/24	APG MEDIA OF SO MINNESOTA LLC	96.25	0	Regular
380243	10/22/24	APG MEDIA OF SO MINNESOTA LLC	206.25	0	Regular
380244	10/22/24	ASBESTROL INC	1,790.00	R	ACH
380245	10/22/24	ASPEN MILLS INCORPORATED	2,154.07	0	Regular
380246	10/22/24	AUSTIN PULVER TOWING	301.94	0	Regular
380247	10/22/24	AVFUEL CORPORATION	30,892.02	R	ACH
380248	10/22/24	BAKER & TAYLOR BOOKS	529.33	R	ACH
380249	10/22/24	BOYER TRUCK PARTS	428.82	0	Regular
380250	10/22/24	BUREAU CRIMINAL APPREHENSION	600.00	0	Regular
380251	10/22/24	CARQUEST	328.52	0	Regular
380252	10/22/24	CEDAR VALLEY SERVICES INC	496.45	R	ACH
380253	10/22/24	CEMSTONE CONCRETE MATERIAL LLC	3,634.75	0	Regular
380254	10/22/24	CEMSTONE PRODUCTS CO	160.01	0	Regular
380255	10/22/24	CENGAGE LEARNING INC/GALE	25.60	R	ACH
380256	10/22/24	CENTER POINT PUBLISHING	133.10	0	Regular
380257	10/22/24	CENTRAL FARM SERVICE	601.56	0	Regular
380258	10/22/24	CITY OF ALBERT LEA	225.49	0	Regular
380259	10/22/24	CLUB CAR LLC	975.00	0	Regular
380260	10/22/24	CRANE CREEK ASPHALT	72,979.38	R	ACH
380261	10/22/24	CULLIGAN OF OWATONNA	244.58	R	ACH
380262	10/22/24	CURT'S TRUCK & DIESEL SERVICE	181.98	R	ACH
380263	10/22/24	CUSTOM COMMUNICATIONS INC	1,298.42	0	Regular
380264	10/22/24	DELL MARKETING LP	681.19	R	ACH
380265	10/22/24	DISH	276.19	0	Regular
380266	10/22/24	EARL F ANDERSEN & ASSOC	269.20	0	Regular
380267	10/22/24	ELECTRIC PUMP INC	902.75	R	ACH
380268	10/22/24	EMPLOYEE STRATEGIES INC	525.00	R	ACH
380269	10/22/24	FARMERS FEED AND PET SUPPLY	259.83	0	Regular
380270	10/22/24	FIRST SUPPLY OWATONNA	1,445.85	R	ACH
380271	10/22/24	FLAHERTY & HOOD PA	3,101.25	R	ACH
380272	10/22/24	FORCE AMERICA	84.61	R	ACH
380273	10/22/24	FORKLIFTS OF MINNESOTA INC	2,190.00	0	Regular

Check Number	Check Date	Vendor Name	Net Check Amount	Check Status	Check Type
380274	10/22/24	FOUR SEASONS ELECTRIC	4,884.54	R	ACH
380275	10/22/24	GALLAGHER BENEFIT SERVICES INC	1,041.67	R	ACH
380276	10/22/24	GALLS	103.99	R	ACH
380277	10/22/24	GENERAL TRAFFIC CONTROLS INC	1,240.00	R	ACH
380278	10/22/24	GLOBAL ASSETS INTEGRATED LLC	2,510.93	0	Regular
380279	10/22/24	HAWKINS INC	30.00	R	ACH
380280	10/22/24	HDS LLC	240.00	R	ACH
380281	10/22/24	HILLYARD INC	416.46	0	Regular
380282	10/22/24	HORIZON COMMERCIAL POOL SUPPLY	498.36	R	ACH
380283	10/22/24	HOUSE OWATONNA	246.61	0	Regular
380284	10/22/24	HUBER SUPPLY CO INC	19.50	0	Regular
380285	10/22/24	I/O SOLUTIONS INC	374.00	0	Regular
380286	10/22/24	IFACS	18.25	R	ACH
380287	10/22/24	INNOVATIVE OFFICE SOLUTIONS	1,757.41	0	Regular
380288	10/22/24	JONES HAUGH & SMITH INC	4,888.67	0	Regular
380289	10/22/24	KUNTZ THOMAS A	37.51	0	Regular
380290	10/22/24	KWIK TRIP INC	131.44	0	Regular
380291	10/22/24	LaDona Flowers	130.00	0	Regular
380292	10/22/24	LAWSON AUTOMOTIVE LLC	1,217.61	R	ACH
380293	10/22/24	LAWSON PRODUCTS	430.45	0	Regular
380294	10/22/24	LEAGUE OF MN CITIES	7,951.00	0	Regular
380295	10/22/24	LEGACY SIGNS INC	630.00	R	ACH
380296	10/22/24	LEGENCE SUBSIDIARY HOLDINGS LL	570,000.00	R	ACH
380297	10/22/24	LETS-A LAW ENFORCEMENT TECH CO	6,045.00	0	Regular
380298	10/22/24	MACQUEEN EQUIPMENT CO	145.01	R	ACH
380299	10/22/24	MAGNOLIA BLOSSOM CRUISES LLC	2,891.92	0	Regular
380300	10/22/24	MARCO TECHNOLOGIES LLC	10,567.85	R	ACH
380301	10/22/24	MARILYN PIRKL	75.00	0	Regular
380302	10/22/24	MARVIN PURRIER CONCRETE & MAS	6,780.00	0	Regular
380303	10/22/24	MATTHEW R HOKANSON	1,040.83	R	ACH
380304	10/22/24	METRO SALES INC	2,323.80	0	Regular
380305	10/22/24	MN PETROLEUM SERVICE	87.00	0	Regular
380306	10/22/24	MN UNEMPLOYMENT INS FUND	1,143.36	0	Regular
380307	10/22/24	MN VALLEY TESTING LABS INC	769.25	R	ACH
380308	10/22/24	MRI SOFTWARE LLC	75.00	R	ACH
380309	10/22/24	MTI DISTRIBUTING INC	2,846.09	R	ACH
380310	10/22/24	NAPA AUTO PARTS	958.65	R	ACH
380311	10/22/24	NEAR NORTH TITLE GROUP	233,590.20	R	Wire Transfer
380312	10/22/24	NERO ENGINEERING	130,529.50	R	ACH
380313	10/22/24	NORTHLAND FARM SYSTEMS	119.78	R	ACH
380314	10/22/24	OAK GLENN	164.18	R	ACH
380315	10/22/24	OFFICE OF MNIT SERVICES	144.90	0	Regular
380316	10/22/24	OLYMPIC FIRE PROTECTION CORP	835.00	R	ACH
380317	10/22/24	OWATONNA AREA CHAMBER OF COMM	32,944.64	0	Regular
380318	10/22/24	OWATONNA FILTERS LLC	136.00	0	Regular

Check Number	Check Date	Vendor Name	Net Check Amount	Check Status	Check Type
380319	10/22/24	OWATONNA GLASS LLC	74.19	0	Regular
380320	10/22/24	OWATONNA HEATING & COOLING INC	88.40	R	ACH
380321	10/22/24	OWATONNA HEATING & COOLING INC	113.00	0	Regular
380322	10/22/24	OWATONNA MOTOR COMPANY	4,753.94	0	Regular
380323	10/22/24	OWATONNA PUBLIC UTILITIES	3,162.25	R	ACH
380324	10/22/24	OWATONNA QUARTERBACK CLUB	1,000.00	0	Regular
380325	10/22/24	OWATONNA RENT N SAVE	120.80	0	Regular
380326	10/22/24	OWT HARDWARE	243.21	0	Regular
380327	10/22/24	PATRICK FISHER	19.75	0	Regular
380328	10/22/24	PB PARENT HOLDCO, LP	887.00	R	ACH
380329	10/22/24	PDI	46.66	0	Regular
380330	10/22/24	PRIME GARAGE DOOR & MORE LLC	3,440.00	R	ACH
380331	10/22/24	QUALITY FLOW SYSTEMS INC	81.48	R	ACH
380332	10/22/24	RENEE L RUMLER LPCC	225.00	0	Regular
380333	10/22/24	RENT N SAVE PORTABLE SERVICES	1,658.00	R	ACH
380334	10/22/24	RICE LAKE CONSTRUCTION GROUP	1,093,383.50	R	ACH
380335	10/22/24	RICE STEELE 911 CENTER	3,240.00	0	Regular
380336	10/22/24	RIGHT-WAY PAINTING INC	36,800.00	0	Regular
380337	10/22/24	ROGER RUEHLING	50.00	0	Regular
380338	10/22/24	ROOT RIVER HARDWOODS INC	414.63	0	Regular
380339	10/22/24	SANCO EQUIPMENT	1,397.61	R	ACH
380340	10/22/24	SCHILLING SUPPLY CO	1,070.67	R	ACH
380341	10/22/24	SCOTT F LIMBERG	750.00	R	ACH
380342	10/22/24	SERVICEMASTER CLEAN	3,065.53	0	Regular
380343	10/22/24	SHI INTERNATIONAL CORP	338.66	0	Regular
380344	10/22/24	SHRED RIGHT	42.53	R	ACH
380345	10/22/24	SIGN PRO OF OWATONNA	100.50	0	Regular
380346	10/22/24	SOUTHERN MN INSPECTION CO	743.55	0	Regular
380347	10/22/24	SPS COMPANIES INC	83.96	R	ACH
380348	10/22/24	STEELE COUNTY TREASURER	6,119.85	0	Regular
380349	10/22/24	STEVE JAMES EXCAVATING INC	8,836.60	R	ACH
380350	10/22/24	STEWART COMPANIES INC	65.71	0	Regular
380351	10/22/24	STEWART SANITATION	1,833.38	0	Regular
380352	10/22/24	SYNCHRONY BANK	127.57	0	Regular
380353	10/22/24	SYNCHRONY BANK - LOWE'S	1,091.35	0	Regular
380354	10/22/24	TAYLOR MADE GOLF COMPANY INC	155.95	0	Regular
380355	10/22/24	THE PENWORTHY COMPANY	251.06	0	Regular
380356	10/22/24	THE RETROFIT COMPANIES INC	424.94	R	ACH
380357	10/22/24	TOR SPERLING	17.95	R	ACH
380358	10/22/24	TRENCHERS PLUS INC	206.75	0	Regular
380359	10/22/24	TRI M GRAPHICS	283.52	R	ACH
380360	10/22/24	TRUCK CENTER COMPANIES LLC	386.52	0	Regular
380361	10/22/24	TRUCK CENTER COMPANIES LLC	159,367.16	0	Regular
380362	10/22/24	TURFWERKS	80,156.25	R	ACH
380363	10/22/24	TURTLE CREEK NURSERY & LNDSCP	4,355.80	0	Regular

Check Number	Check Date	Vendor Name	Net Check Amount	Check Status	Check Type
380364	10/22/24	UNITED WAY	100.00	0	Regular
380365	10/22/24	US BANK	850.00	0	Regular
380366	10/22/24	USABUEBOOK	1,081.70	R	ACH
380367	10/22/24	UTILITY CONSULTANTS INC	176.08	R	ACH
380368	10/22/24	VAULT HEALTH	665.52	0	Regular
380369	10/22/24	VERIZON WIRELESS	2,859.92	0	Regular
380370	10/22/24	VESSCO INC	24,597.36	R	ACH
380371	10/22/24	VESTIS GROUP INC	759.67	0	Regular
380372	10/22/24	WALBRAN & FURNESS CHARTERED	4,875.25	R	ACH
380373	10/22/24	WALBRAN MARK M	5.91	0	Regular
380374	10/22/24	WASECA COUNTY HWY DEPT	23.99	0	Regular
380375	10/22/24	WENCL CONSTRUCTION INC	891,360.57	0	Regular
380376	10/22/24	WEST PUBLISHING CORPORATION	610.50	R	ACH
380377	10/22/24	WHKS & CO	1,719.64	R	ACH
380378	10/22/24	WHKS & CO	5,467.50	R	ACH
380379	10/22/24	WOLFF AND SONS INC	898.84	R	ACH
380380	10/22/24	WORLD TRADE PRESS	408.00	0	Regular
380381	10/22/24	ZARNOTH BRUSH WORKS	665.00	R	ACH
380382	10/22/24	ZEP MANUFACTURING CO	324.54	R	ACH
380383	11/01/24	A & K LLC	392.00	R	ACH
380384	11/01/24	A&H PROPERTIES	1,049.00	R	ACH
380385	11/01/24	ACADEMY APARTMENTS OF OWA LLC	1,837.00	R	ACH
380386	11/01/24	ALL AREA MANAGEMENT LLC	1,723.00	R	ACH
380387	11/01/24	APACHE APARTMENTS	607.00	R	ACH
380388	11/01/24	ATM PROPERTIES LLC	1,344.00	R	ACH
380389	11/01/24	AUSTIN HRA	848.00	0	Regular
380390	11/01/24	BARRY GILLESPIE	319.00	R	ACH
380391	11/01/24	BROWN CYNTHIA	552.00	R	ACH
380392	11/01/24	BRYCEN GREGOR	2,296.00	R	ACH
380393	11/01/24	CAPELLE COMPANIES LLC	870.00	R	ACH
380394	11/01/24	CEDAR HILLS ESTATES LLC	1,682.00	R	ACH
380395	11/01/24	CEDAR RIDGE APARTMENTS	64.00	R	ACH
380396	11/01/24	CEDAR ROSE ASSOCIATES LLC	1,260.00	R	ACH
380397	11/01/24	CEDAR RUN TOWN HOMES MDI #41	2,911.00	R	ACH
380398	11/01/24	CEDARDALE NORTH APARTMENTS	910.00	R	ACH
380399	11/01/24	CEDARDALE SOUTH APARTMENTS	519.00	R	ACH
380400	11/01/24	CEDARDALE WEST APARTMENTS	550.00	R	ACH
380401	11/01/24	CHAD STANNARD	915.00	R	ACH
380402	11/01/24	CHASE BLUM	598.00	R	ACH
380403	11/01/24	CHRIS PROHASKI	1,095.00	R	ACH
380404	11/01/24	COMMON CENTS PROPERTIES LLC	328.00	R	ACH
380405	11/01/24	COOPERS COURT LLC	597.00	R	ACH
380406	11/01/24	DAKOTA COUNTY CDA	751.58	R	ACH
380407	11/01/24	DANIEL SCHLEGEL	477.00	R	ACH
380408	11/01/24	DSBMT, LLC	595.00	R	ACH

Check Number	Check Date	Vendor Name	Net Check Amount	Check Status	Check Type
380409	11/01/24	DUNNE MANSION LLC	562.00	R	ACH
380410	11/01/24	EEK LLC	1,029.00	R	ACH
380411	11/01/24	ELM STREET PROPERTIES	497.00	R	ACH
380412	11/01/24	FREDRICKSON PROPERTIES	389.00	R	ACH
380413	11/01/24	G & H MANAGEMENT CO LLC	1,197.00	R	ACH
380414	11/01/24	IMAGE APARTMENT	2,761.00	R	ACH
380415	11/01/24	J & P PROPERTIES	824.00	R	ACH
380416	11/01/24	JANESVILLE APARTMENTS	1,175.00	R	ACH
380417	11/01/24	JBLL EQUITIES LLC	2,910.00	R	ACH
380418	11/01/24	JOHNSON WINDOW & SIDING INC	4,423.00	R	ACH
380419	11/01/24	JPF PROPERTIES	257.00	R	ACH
380420	11/01/24	JULIE WERSAL	583.00	R	ACH
380421	11/01/24	KEG INVESTMENTS LLC	1,577.00	R	ACH
380422	11/01/24	KEITH MARTIN	1,432.00	R	ACH
380423	11/01/24	KLEVOS GREG	769.00	R	ACH
380424	11/01/24	L&L LEGACY PROPERTIES	792.00	R	ACH
380425	11/01/24	LEE ANNA	1,297.00	R	ACH
380426	11/01/24	LINCOLN SQUARE APARTMENTS	7,294.00	R	ACH
380427	11/01/24	LINDSAY MACHT	53.00	R	ACH
380428	11/01/24	LWO LIMITED PARTNERSHIP #116	3,696.00	R	ACH
380429	11/01/24	MANCINI NICHOLAS	18.00	R	ACH
380430	11/01/24	MARQUARDT DENNIS	2,879.00	R	ACH
380431	11/01/24	MARTIN ALLAN	2,532.00	R	ACH
380432	11/01/24	MARTIN FAMILY LLC	1,085.00	R	ACH
380433	11/01/24	MCCAULEY CONSTRUCTION	386.00	R	ACH
380434	11/01/24	MIDWEST INVEST LLC	573.00	R	ACH
380435	11/01/24	MOSSEE PROP INV LLC	646.00	R	ACH
380436	11/01/24	NECHVILLE SUSAN	2,791.00	R	ACH
380437	11/01/24	NORTHCOURT APARTMENTS	935.00	R	ACH
380438	11/01/24	NORTHGATE	2,747.00	R	ACH
380439	11/01/24	NORTHSTAR HOLDINGS LLC	595.00	R	ACH
380440	11/01/24	NORTHWEST MANOR	1,522.00	R	ACH
380441	11/01/24	OWATONNA GATEWAY LLC	299.00	R	ACH
380442	11/01/24	OWATONNA PUBLIC UTILITIES	273.00	R	ACH
380443	11/01/24	PARKVIEW OWATONNA LLC	319.00	R	ACH
380444	11/01/24	PEACH INVESTMENTS LLC	218.00	R	ACH
380445	11/01/24	PETER BIEL	737.00	R	ACH
380446	11/01/24	POSITIVE SHARE LLC	398.00	R	ACH
380447	11/01/24	PROHASKI PROPERTIES	1,299.00	R	ACH
380448	11/01/24	QUALITY RENTALS OF OWATONNA LL	830.00	R	ACH
380449	11/01/24	REDLINE DEVELOPMENT GRP LLC	1,121.00	R	ACH
380450	11/01/24	RICHARD ELLINGSON	662.00	R	ACH
380451	11/01/24	RWB PROPERTIES	600.00	R	ACH
380452	11/01/24	SCOTT COUNTY CDA	5,273.32	R	ACH
380453	11/01/24	SIXSPARKS LLC	1,894.00	R	ACH

Check Number	Check Date	Vendor Name	Net Check Amount	Check Status	Check Type
380454	11/01/24	SMITH REAL ESTATE LLC	1,103.00	R	ACH
380455	11/01/24	SMITH VENTURES LLC	290.00	R	ACH
380456	11/01/24	SOUTH CENTRAL HUMAN RELATIONS	3,289.00	R	ACH
380457	11/01/24	ST CLOUD HRA	595.58	R	ACH
380458	11/01/24	SUMMIT MANOR	450.00	R	ACH
380459	11/01/24	TM RENTALS II LLC	453.00	R	ACH
380460	11/01/24	USDA RURAL DEVELOPMENT	512.00	0	Regular
380461	11/01/24	USDA RURAL DEVELOPMENT	476.00	0	Regular
380462	11/01/24	USDA RURAL DEVELOPMENT	593.00	0	Regular
380463	11/01/24	WILLOW RUN I MDI #58	4,149.00	R	ACH
380464	11/01/24	WILLOW RUN II MDI #85	4,082.00	R	ACH
380465	11/01/24	YOUNGDAHL DEVELOPMENT LLC	2,400.00	R	ACH
380466	11/01/24	ZK INVESTORS LLC	1,037.00	R	ACH
380467	11/01/24	ZK INVESTORS LLC	717.00	R	ACH
380468	11/05/24	AFLAC	2,775.74	R	ACH
380469	11/05/24	ALAN MAAS	2,500.00	0	Regular
380470	11/05/24	ALEXANDER LUMBER COMPANY	922.10	0	Regular
380471	11/05/24	AMERICAN ENGINEERING TESTING	7,800.75	R	ACH
380472	11/05/24	AMERICAN RED CROSS	76.00	0	Regular
380473	11/05/24	APG MEDIA OF SO MINNESOTA LLC	75.00	0	Regular
380474	11/05/24	ARNOLD'S OF MANKATO INC	263.07	0	Regular
380475	11/05/24	AVFUEL CORPORATION	11,219.95	R	ACH
380476	11/05/24	BAKER & TAYLOR BOOKS	782.25	R	ACH
380477	11/05/24	BAKER TILLY US LLP	7,700.00	R	ACH
380478	11/05/24	BENJAMIN METCALF	76.28	0	Regular
380479	11/05/24	BENJAMIN R JOHNSON	110.55	0	Regular
380480	11/05/24	CABLECAST COMMUNITY MEDIA	2,500.00	R	ACH
380481	11/05/24	CARQUEST	891.31	0	Regular
380482	11/05/24	CEMSTONE CONCRETE MATERIAL LLC	1,346.25	0	Regular
380483	11/05/24	CEMSTONE PRODUCTS CO	21.14	0	Regular
380484	11/05/24	CENTRAL FARM SERVICE	20,314.34	0	Regular
380485	11/05/24	CITY OF ALBERT LEA	53.88	0	Regular
380486	11/05/24	CRANE CREEK ASPHALT	43,963.07	R	ACH
380487	11/05/24	CURT'S TRUCK & DIESEL SERVICE	240.44	R	ACH
380488	11/05/24	CYBER ADVISORS	6,670.64	0	Regular
380489	11/05/24	DELL MARKETING LP	1,152.89	R	ACH
380490	11/05/24	ENVIRONMENTAL PLANT SVCES INC	53,833.00	0	Regular
380491	11/05/24	EYE MED VISION CARE	407.47	0	Regular
380492	11/05/24	FAME AWARDS	284.00	0	Regular
380493	11/05/24	FARIBAULT CO SHERIFF'S OFFICE	5,515.41	0	Regular
380494	11/05/24	FIRE PROTECTION SERVICES	430.52	0	Regular
380495	11/05/24	FIRST SUPPLY OWATONNA	641.69	R	ACH
380496	11/05/24	FLAGSHIP RECREATION	2,850.00	0	Regular
380497	11/05/24	FOUR SEASONS ELECTRIC	1,707.59	R	ACH
380498	11/05/24	GRAINGER	192.39	R	ACH

Check Number	Check Date	Vendor Name	Net Check Amount	Check Status	Check Type
380499	11/05/24	HAWKINS INC	30,658.00	R	ACH
380500	11/05/24	HEALTHPARTNERS INC	4,484.68	0	Regular
380501	11/05/24	HEIMAN INC	167.40	R	ACH
380502	11/05/24	HELEN M NAGEL INC	264.00	0	Regular
380503	11/05/24	I U O E LOCAL 70	2,849.50	0	Regular
380504	11/05/24	INNOVATIVE OFFICE SOLUTIONS	238.34	0	Regular
380505	11/05/24	JOHN DEERE CREDIT	1,071.13	0	Regular
380506	11/05/24	JTH GARAGE DOOR LLC	1,182.50	0	Regular
380507	11/05/24	KEEKER INC	2,700.00	R	ACH
380508	11/05/24	LARRY THORNHILL	272.00	0	Regular
380509	11/05/24	LAWSON AUTOMOTIVE LLC	885.74	R	ACH
380510	11/05/24	LAWSON PRODUCTS	140.05	0	Regular
380511	11/05/24	LEGACY SIGNS INC	340.00	R	ACH
380512	11/05/24	LOGIS	435.00	R	ACH
380513	11/05/24	M-R SIGN CO INC	5,978.00	R	ACH
380514	11/05/24	MADISON NATL LIF INS CO INC	1,012.77	0	Regular
380515	11/05/24	MAGTECH AMMUNITION CO INC	4,594.59	0	Regular
380516	11/05/24	MANKE'S OUTDOOR EQUIP & APPL	100.54	R	ACH
380517	11/05/24	MARCO TECHNOLOGIES LLC	223.65	R	ACH
380518	11/05/24	MATHESON TRI-GAS INC	68.99	0	Regular
380519	11/05/24	MATTHEW R HOKANSON	3,333.34	R	ACH
380520	11/05/24	METRO SALES INC	608.52	0	Regular
380521	11/05/24	METRONET SYSTEMS HOLDINGS LLC	1,783.06	R	ACH
380522	11/05/24	MICHAEL A. OLDENBURG	504.00	0	Regular
380523	11/05/24	MICHAEL JOHNSON	69.95	0	Regular
380524	11/05/24	MIKE'S REPAIR	525.14	R	ACH
380525	11/05/24	MINNESOTA LIFE	2,910.05	0	Regular
380526	11/05/24	MN DRIVER & VEHICLE SERVICES	15.25	0	Regular
380527	11/05/24	MN NCPERS GROUP LIFE INSURANCE	416.00	0	Regular
380528	11/05/24	MN PUBLIC EMPLOYEES ASSOC	1,536.00	R	ACH
380529	11/05/24	MN VALLEY TESTING LABS INC	540.00	R	ACH
380530	11/05/24	NAPA AUTO PARTS	458.64	R	ACH
380531	11/05/24	NORTHLAND FARM SYSTEMS	263.95	R	ACH
380532	11/05/24	NORTHLAND SECURITIES INC	6,227.50	0	Regular
380533	11/05/24	OFFICE OF MNIT SERVICES	420.00	0	Regular
380534	11/05/24	OLYMPIC FIRE PROTECTION CORP	510.68	R	ACH
380535	11/05/24	OWATONNA MOTOR COMPANY	3,724.68	0	Regular
380536	11/05/24	OWATONNA PUB SCHOOLS ISD 761	807.50	R	ACH
380537	11/05/24	OWATONNA PUBLIC UTILITIES	15,683.74	R	ACH
380538	11/05/24	OWATONNA SOFTBALL ASSN	4,425.00	0	Regular
380539	11/05/24	OWT HARDWARE	287.94	0	Regular
380540	11/05/24	PB PARENT HOLDCO, LP	587.00	R	ACH
380541	11/05/24	PLUNKETT'S PEST CONTROL INC	141.96	R	ACH
380542	11/05/24	PRIME GARAGE DOOR & MORE LLC	380.00	R	ACH
380543	11/05/24	PUMP AND METER SERVICE, INC	1,086.50	R	ACH

Check Number	Check Date	Vendor Name	Net Check Amount	Check Status	Check Type
380544	11/05/24	QSC OF NORTHFIELD INC	3,445.44	0	Regular
380545	11/05/24	RCM SPECIALTIES	857.07	0	Regular
380546	11/05/24	REGENTS OF THE U OF MN	400.00	0	Regular
380547	11/05/24	RENT N SAVE PORTABLE SERVICES	1,306.00	R	ACH
380548	11/05/24	SAFE-FAST INC	190.95	R	ACH
380549	11/05/24	SHI INTERNATIONAL CORP	1,203.66	0	Regular
380550	11/05/24	SIGN PRO OF OWATONNA	2,923.00	0	Regular
380551	11/05/24	SIOUX VALLEY ENVIRONMENTAL	2,340.00	0	Regular
380552	11/05/24	SPS COMPANIES INC	152.97	R	ACH
380553	11/05/24	STEELE CO ATTORNEY'S OFFICE	511.40	0	Regular
380554	11/05/24	STEELE COUNTY AUDITOR	6,874.29	0	Regular
380555	11/05/24	STEELE COUNTY SHERIFF	6,298.44	0	Regular
380556	11/05/24	STEELE COUNTY TREASURER	6,225.85	0	Regular
380557	11/05/24	STEVE JAMES EXCAVATING INC	79,678.25	R	ACH
380558	11/05/24	T-MOBILE	849.94	0	Regular
380559	11/05/24	T-MOBILE	115.00	0	Regular
380560	11/05/24	TEREX USA LLC	3,111.70	0	Regular
380561	11/05/24	THE WALL STREET JOURNAL	182.54	0	Regular
380562	11/05/24	TJD REPAIR & SERVICE	484.60	0	Regular
380563	11/05/24	TOR SPERLING	152.95	R	ACH
380564	11/05/24	TOREY'S RESTAURANT & BAR	150.00	0	Regular
380565	11/05/24	TREASURY DIVISION, FINANCE	255.70	0	Regular
380566	11/05/24	TRI STATE BOBCAT	212.10	R	ACH
380567	11/05/24	TROY KLECKER	78.00	0	Regular
380568	11/05/24	UNITED WAY	100.00	0	Regular
380569	11/05/24	USABUEBOOK	145.56	R	ACH
380570	11/05/24	VAN METER INC	87.27	0	Regular
380571	11/05/24	VENTURE HYDRAULICS INC	382.33	R	ACH
380572	11/05/24	VESTIS FIRST AID	148.02	0	Regular
380573	11/05/24	VESTIS GROUP INC	264.15	0	Regular
380574	11/05/24	WALBRAN & FURNESS CHARTERED	5,376.95	R	ACH
380575	11/05/24	WASECA POLICE DEPARTMENT	6,827.95	0	Regular
380576	11/05/24	WENCL CONSTRUCTION INC	151,832.82	0	Regular
380577	11/05/24	XCEL ENERGY	295.90	0	Regular
380578	11/05/24	YOUTH 1ST INC	1,250.00	0	Regular
380579	11/05/24	ZACK'S INC	195.43	0	Regular

153	Checks total:	1,541,141.71
188	ACH total:	2,422,373.76
0	EFTPS total:	
9	Wire transfer total:	409,274.87
0	Payment Manager total:	
350	GRAND TOTALS	4,372,790.34



CITY OF
OWATONNA

Ordinances



DATE: November 6, 2024
TO: Mayor and City Council
FROM: Sean Murphy, Public Works Director
SUBJECT: First Reading Ordinance 24-5: Update Chapter 52, Storm Water Utility

Purpose:

Council first reading of proposed updates to Chapter 52 of the City of Owatonna Code of Ordinances related to the City of Owatonna Municipal Separate Storm Sewer System (MS4) permit updating stormwater utility rates.

Background:

The fee takes three factors into account the equivalent residential unit (ERU), the intensity factor, and the current rate. The ERU is determined by dividing the parcel acreage by 0.33. The intensity factor is determined for each classification using runoff values including average rainfall totals, impervious surface percentages, and land use. The current rate is set annually by the adopted fee schedule. The current residential rate is \$4.66 per month.

The proposed 5-year ERU increases are as follows:

Year	Proposed Rate
2025	\$5.14
2026	\$5.68
2027	\$6.27
2028	\$6.92
2029	\$7.64

Budget Impact:

The annual revenue and budget for the stormwater utility will be increased.

Staff Recommendation:

Staff recommends approval.

Attachments:

1. Proposed Ordinance 24-5 Stormwater Utility Section 52
2. Owatonna Stormwater Utility Fee Update

Proposed Ordinance No. 24-5
ORDINANCE NO. _____

AN ORDINANCE AMENDING CHAPTER 52 OF THE 2015 ORDINANCE CODE OF THE CITY OF OWATONNA, ENTITLED “STORM WATER UTILITY” BY REVISING SECTION 52.04 EQUIVALENT RESIDENTIAL UNIT FEE CALCULATION AND SCHEDULE, SECTION 52.05 FEE ADJUSTMENTS, SECTION 52.07 PAYMENT OF FEE, SECTION 52.10 CERTIFICATION OF PAST DUE FEES ON TAXES, AND SECTION 52.11 EFFECTIVE DATE.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF OWATONNA, MINNESOTA, DO ORDAIN:

Section 1. Chapter 52 of the 2015 Ordinance Code of the City of Owatonna, entitled "STORM WATER UTILITY" shall be amended to read as follows:

Section 52 - STORM WATER UTILITY

§ 52.01 GENERAL OPERATION.

The city storm water system shall be operated as a public utility (hereinafter, called the “Storm Water Utility”), pursuant to Minn. Stat. § 444.075, as it may be amended from time to time, from which revenues will be derived subject to the provisions of this subchapter and state statutes.

(1992 Code, § 280:00) (Ord. 1187, passed 7-7-1998)

§ 52.02 DEFINITIONS.

For the purpose of this subchapter, the following definitions shall apply unless the context clearly indicates or requires a different meaning.

EQUIVALENT RESIDENTIAL UNIT (ERU). ERU are based on the effect of a typical single family residential home’s impervious area footprint. The ERU is based on one- third acre.

MONTHLY STORM WATER UTILITY REVENUE. The estimated monthly expenditures for planning and inventories, capital expenditures, personnel and equipment and operation of the storm water utility, in accordance with established city policy.

STORM WATER UTILITY FEE. The ~~annual~~ monthly charge developed for each parcel of land.

UTILITY FACTOR. The ratio of run-off volume, in inches, for a particular land use, to the run-off volume, in inches, for an average single-family residence, assuming a two- inch rainfall and Natural Resources Conservation Services (NRCS) “Type B” soil conditions.

(1992 Code, § 280:05) (Ord. 1187, passed 7-7-1998; Ord. 1527, passed 8-18-2015)

§ 52.03 STORM WATER UTILITY FACTORS

- (A) The storm water management fee shall be determined by first determining the percentage of total run-off in the city which is attributed to single-family residential property. The fee per acre for single-family residential is computed by computing the

product of the run-off percentage and the monthly storm water utility revenue, divided by the estimated total acres of single-family residential land use in the city. The per acre fee for all other individual parcels shall be defined as the product of the single-family residential per-acre fee, the appropriate utility factor and the total acreage of the parcel. Single-family residential parcels shall be assessed on a per household basis. All multi-family residential, townhome, and mobile home classifications with individual meters shall be billed at 80% of the current ERU. All multi-family residential, townhome, and mobile home classifications without individual meters shall be billed based on the above equation, derived from the table below.

Classification	Land Use	Intensity Factor	% Impervious Assumed
	Single family residential	1	
2	Townhomes	0.8	
3	Multi-family residential	1.5	
4	Low-density commercial	2.0	60%
5	High-density commercial	2.8	85%
6	Low-density industrial	2.1	63%
7	High-density industrial	2.4	72%
8	Mobile homes	1.5	45%
9	Churches/institutions/schools	2.4	72%

(B) The city will regularly review classifications of parcels and make adjustments to individual parcel classifications as necessary.

(1992 Code, § 280:10) (Ord. 1187, passed 7-7-1998; Ord. 1527, passed 8-18-2015; Ord. 1534, passed 12-15-2015)

~~§ 52.04 Non-Residential Example.~~

~~(A) Example.~~

~~Fee = $\frac{1 \text{ Acre}}{0.33 \text{ acre}^*}$ X monthly fee intensity factor~~

~~* Residential lot assumed acreage~~

~~(B) Fees. The ERU shall be established as follows:~~

~~2023 - \$4.66~~

~~(C) Rates shall be effective January 1 of the given year.~~

~~(Ord. 1527, passed 8-18-2015)~~

§ 52.04 FEE CALCULATION AND RATE SCHEDULE

(A) Rates. The monthly storm water utility rate per ERU is established as follows:

<u>Year</u>	<u>Rate</u>
<u>2025</u>	<u>\$5.14</u>
<u>2026</u>	<u>\$5.68</u>
<u>2027</u>	<u>\$6.27</u>
<u>2028</u>	<u>\$6.92</u>
<u>2029</u>	<u>\$7.64</u>

(B) Single Family Residential Fee. The monthly stormwater utility fee for a single-family residential lot is equal to 1 ERU.

(C) Non-Residential Fee. Non-residential fee is calculated as follows:

$$\text{Monthly Fee} = \text{ERU} \times \text{Intensity Factor} \times \text{Current Rate}$$

(D) Rates shall be effective January 1 of the given year.

(Ord. 1527, passed 8-18-2015)

§ 52.05 FEE ADJUSTMENTS.

(A) The Council may adopt policies, by resolution, for adjustment of the storm water management fees. Information to justify a fee adjustment must be supplied by the property owner. Such adjustments of fees shall not be retroactive.

~~(B) Properties of five acres or greater will be eligible for fee adjustments. The owner must request in writing to the City Engineer for the fee adjustment. In no case will the property pay more than the assumed rate assigned to the rate class. The existing impervious will be compared to the assumed impervious percentage and fees will be adjusted to the appropriate percentage.~~

(1992 Code, § 280:15) (Ord. 1187, passed 7-7-1998; Ord. 1527, passed 8-18-2015)

§ 52.06 EXEMPTIONS.

The following land uses are exempt from the storm water management fee:

- (A) Public road right-of-way;
- (B) Lakes, streams and other bodies of water;
- (C) Wetlands of the city;
- (D) Agricultural land;
- (E) Undeveloped property;

- (F) Platted, un-developed residential lots;
- (G) Cemeteries;
- (H) Golf courses; and
- (I) Railroads.

(1992 Code, § 280:20) (Ord. 1187, passed 7-7-1998; Ord. 1527, passed 8-18-2015)

§ 52.07 PAYMENT OF FEE.

(A) Storm water utility fees shall be billed to the property owner with water and sanitary bills.

(B) The fee shall be due and payable with the same terms as sanitary sewer utility bills.

(C) Any prepayment or overpayment of charges shall be retained by the city and applied against subsequent fees.

(1992 Code, § 280:25) (Ord. 1187, passed 7-7-1998)

§ 52.08 APPEAL OF FEE.

If a property owner or person responsible for paying the storm water management fee believes that a particular assigned fee is incorrect, such person may request that the fee be recomputed.

(1992 Code, § 280:30) (Ord. 1187, passed 7-7-1998)

§ 52.09 LATE PAYMENT; PENALTY.

Each billing for storm water utility fees not paid when due shall incur a penalty charge of 5% of the amount past due for unpaid fees up to \$500 and 2% of such fees over \$500.

(1992 Code, § 280:35) (Ord. 1187, passed 7-7-1998)

§ 52.10 CERTIFICATION OF PAST DUE FEES ON TAXES.

(A) If three consecutive storm water utility fees have not been paid when due, then a penalty as set forth in ~~§ 52.08~~ § 52.09 of this chapter shall be added to the amount due.

(B) Any such past due fees may then be certified to the County Auditor for collection with real estate taxed on the following year pursuant to Minn. Stat. § 444.075, Subd. 3, as it may be amended from time to time.

(C) In addition, the city shall also have the right to bring a civil action or to take other legal remedies to collect unpaid fees.

(1992 Code, § 280:40) (Ord. 1187, passed 7-7-1998)

~~§ 52.11 EFFECTIVE DATE.~~

~~This subchapter shall be in full force and effect from January 1, 2016 and after its passage and publication.~~

~~(Ord. 1187, passed 7-7-1998; Ord. 1527, passed 8-18-2015)~~

SECTION 2. Effective Date. This ordinance shall be in full force and effect from and after its passage and publication. Passed and adopted this ____ day of _____, 2024 with the following roll call vote:

Aye:

No:

Absent:

Approved and signed this ____ day of _____, 2024.

ATTEST:

Thomas A. Kuntz, Mayor

Kris M. Busse, City Administrator/City Clerk

UNDERLINING INDICATES NEW LANGUAGE.

~~STRIKEOUTS~~ INDICATE DELETION.



Stormwater Utility Fee Update

Owatonna, Minnesota

whks

engineers + planners + land surveyors

Surface Water Management Plan Update



MS4 Pollutant Reduction Requirements



Storm System Capacity



Infrastructure Resiliency

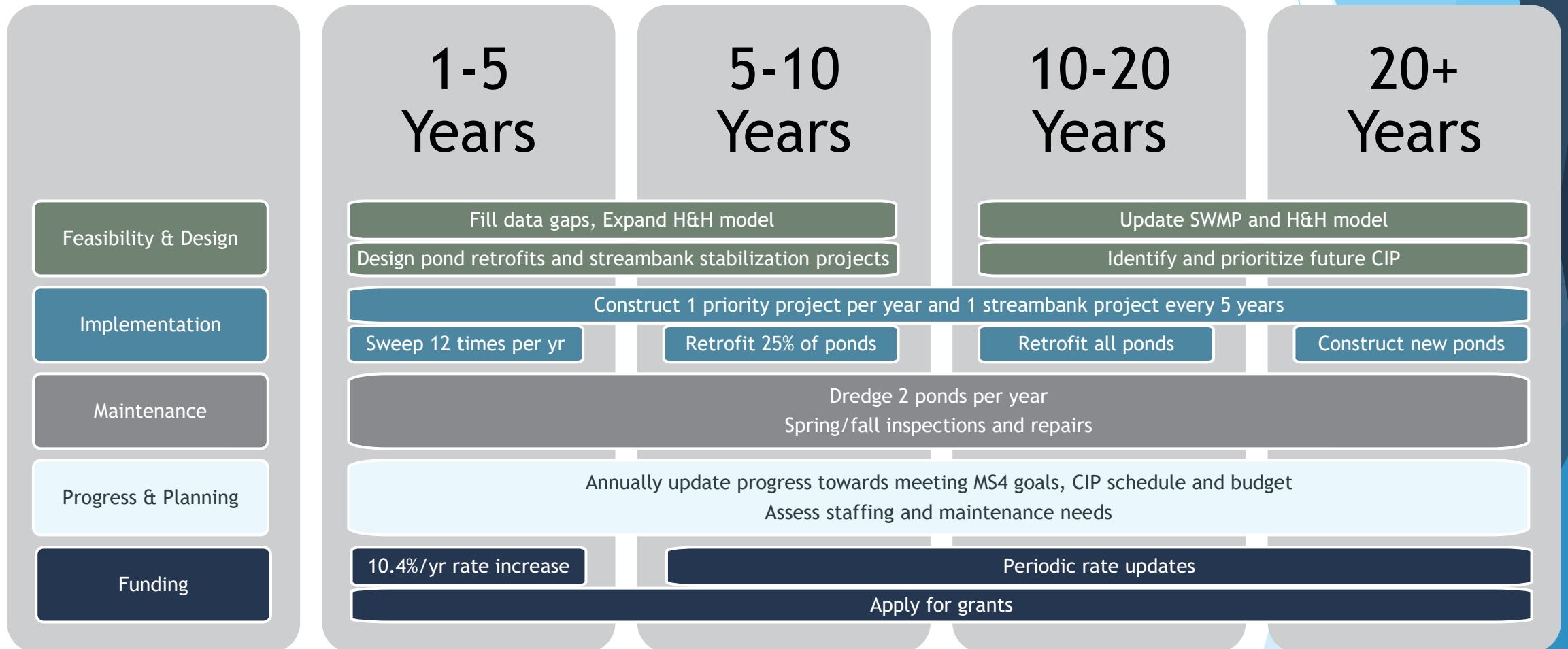


Stormwater Utility Fee Update



Recommendations

☒ Plan Update Recommendations





Current Stormwater Utility Fee

Current Program Budget Covers:

Education and Outreach

MS4 Best Practices

8 Street Sweeps per year

\$440,000 per year for Stormwater Improvements and Bond Payments

Insufficient Funds to Cover:

Maintenance

MS4 Pollutant Reduction Goals

Stormwater Program Improvements

New Capital Improvement Projects



Rate Increase Need

Stormwater Improvement Items	Estimated Annual Cost Increase	5-Year Annual Rate Increase
Maintenance of existing infrastructure	\$200,000	2.9%
Pond sediment dredging	\$283,200	4.1%
Add four street sweeps per year	\$24,400	0.4%

Recommend adopting an annual increase of 7.4% over the next 5 years, plus inflation adjustment (approx. 3%) = total annual increase of 10.4%

Total rate increase at the end of year 5 compared to existing = 64%



Rate Increase Impact

Single Family Residential	Monthly Base Rate	Yearly Rate
Current (2024)	\$4.66	\$56
2025	\$5.14	\$62
2026	\$5.68	\$68
2027	\$6.27	\$75
2028	\$6.92	\$83
2029	\$7.64	\$92



Rate Increase Impact

Single Family Residential	Monthly Base Rate	Yearly Rate
Current (2024)	\$4.66	\$56
2025	\$5.14	\$62
2029	\$7.64	\$92
Mankato (2023)	\$4.89	\$59
Austin (2023)	\$5.50	\$66
Waseca (2024)	\$7.00	\$84
Faribault (2024)	\$8.75	\$105
Rochester (2024)	\$10.30	\$124
Prior Lake (2024)	\$10.66	\$128
Apple Valley (2024)	\$10.98	\$132
MN Median	\$6.29	\$75
National Average	\$6.19	\$74



Rate Increase Impact

Commercial (1 acre, 75% Impervious)	Monthly Base Rate	Yearly Rate
Current (2024)	\$34	\$408
2025	\$38	\$450
2026	\$41	\$497
2027	\$46	\$549
2028	\$51	\$606
2029	\$56	\$669
Faribault (2024)	\$100	\$1,200
Rochester (2024)	\$84	\$1,008



Questions and Answers

Thank you!

whks



DATE: November 6, 2024
TO: Mayor and City Council
FROM: Sean Murphy, Public Works Director
SUBJECT: First Reading Ordinance 24-6: Amend Section 94.079, Underground Facility Maintenance and Repair

Purpose:

Requesting City Council approval of the first reading of the ordinance amendment to Code Section 94.079, regarding sanitary and sump service maintenance.

Background:

The ordinance in place specifies ownership of sanitary sewer service and cost responsibility but does not address sump services. Sump services that are compromised within right of way can have significant impacts to infrastructure due to the mechanical pumping of water. Taking on ownership of repair and replacement within right of way will ensure a shorter timeline to correct issues and limit damage to infrastructure. Also, the financial responsibility for pavement replacement will be relieved from property owners. This was a main factor in taking on repair responsibility for sanitary services within right of way. Amending the ordinance will provide consistency and clarification regarding ownership and cost responsibility for sump services.

Budget Impact:

The City will be responsible for repairs within the right of way and will be paid for using sanitary sewer funds. Property owners will be responsible for repair costs for sump repairs on private property.

Staff Recommendation:

Staff recommends approval.

Attachments:

1. Proposed Ordinance 24-6; Amend Section 94.079 Sanitary and Sump Service Maintenance and Repair

Proposed Ordinance No. 24-6

ORDINANCE NO. _____

AN ORDINANCE AMENDING CHAPTER IX OF THE 2015 ORDINANCE CODE OF THE CITY OF OWATONNA, AS AMENDED, ENTITLED "STREETS AND SIDEWALKS" BY AMENDING SECTION 94.079 "PAVING UNDERGROUND FACILITIES - MAINTENANCE AND REPAIR"

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF OWATONNA, MINNESOTA, DO ORDAIN:

Section 1. Chapter IX of the 2015 Ordinance Code of the City of Owatonna, entitled "Streets and Sidewalks" by amending section 94.079 "Maintenance and Repair" of Paving Underground Facilities as follows:

(A) The water ~~and sump~~ service is the property of the owner of the lot or premises abutting the street. The owner is responsible for the installation, maintenance and repair of the water and sump service and the costs therefor.

(B) The sewer service and sump service ~~is~~ are the property of the owner of the lot or premises on private property. Normal maintenance such as cleaning, removal of clogs and root removal will be the responsibility of the property owner for the entire service line. The city is responsible for the service line repair within the public right-of-way. Final determination of repair responsibility will be at the discretion of the Director of Public Works or their designee.

Section 2. Effective date. This Ordinance shall be in full force and effect from and after its passage and publication.

Passed and adopted this ____ day of ____, 2024, with the following

vote: Aye ____; No ____; Absent ____.

Approved and signed this ____ day of ____, 2024.

Thomas A. Kuntz, Mayor

ATTEST:

Kris M. Busse, City Administrator/City Clerk

UNDERLINING INDICATES NEW LANGUAGE.

STRIKEOUTS INDICATE DELETIONS.



CITY OF
OWATONNA

Resolutions



DATE: November 6, 2024
TO: Mayor and City Council
FROM: Ed Hoffman, Fire Chief
SUBJECT: Resolution 113-24: Hazardous Property - 328 N Pine Ave

Purpose:

The purpose of proposed Resolution No. 113-24 is to designate the building located at 328 N Pine Ave as a hazardous building and order that the hazardous conditions be repaired.

Background:

The City Fire Chief along with the City Building Official have determined the exterior stairs are unsafe in violation of codes and needs to be either repaired or razed pursuant to Minnesota State Fire Code Section 111.4, which provides: "The owner, the owner's authorized agent, operator or occupant of a building or premises deemed unsafe by the fire code official shall abate or cause to be abated or corrected such unsafe conditions either by repair, rehabilitation, demolition or other approved corrective action."

Budget Impact:

In the event it becomes necessary for the City to remedy the violations, the statute provides that the costs incurred may be assess against the premises.

Staff Recommendation:

It is recommended the Council adopt Resolution 113-24.

Attachments:

1. Resolution 113-24 Hazardous Property - 328 N Pine Ave

RESOLUTION NO. 113-24

A RESOLUTION DECLARING THAT THE BUILDING LOCATED AT 328 PINE AVENUE, OWATONNA, MINNESOTA IS A HAZARDOUS BUILDING AND ORDERING THE ABATEMENT OF HAZARDOUS CONDITIONS THEREIN.

WHEREAS, ViggCo II LLC, a Minnesota Limited Liability Company, (herein “Owner”), is the Owner of the building located at 328 Pine Avenue, Owatonna, Minnesota, legally described as follows:

Lots 8 and 9, Block 2, Dartt’s Addition to Owatonna, Steele County, Minnesota.

WHEREAS, the Owatonna Fire Department, (herein “OFD”), upon a routine review of rental properties, noticed there was no rental license for 328 Pine Avenue. An Order for Correction sent to the Owner notified him that the property was in violation of City Ordinance Code § 115:02, Subd. A requiring that rental property be registered with the City; and

WHEREAS, on July 25, 2022, Owatonna Fire Department Chief, Ed Hofmann, (herein “Chief”), contacted the Owner who told the Chief he would take care of the matter as soon as possible; and

WHEREAS, on August 2, 2022 and again on August 9, 2022, the Chief contacted the Owner to complete the rental application and schedule an inspection; and

WHEREAS, on August 10, 2022, the Owner applied for his rental license and on August 11, 2022 a partial inspection was completed at which 7 violations were noted. Some rental units were not inspected because no keys were available for those units; and

WHEREAS, on August 30, 2022, a subsequent inspection was done resulting in a total of 12 violations; and

WHEREAS, on November 30, 2022, the OFD Inspector (herein “OFD”) contacted the Owner who agreed to give the tenants notice of a reinspection before entering their units and the Owner said he would notify the tenants and advise the OFD by December 1, 2022; and

WHEREAS, on December 6, 2022, having not received a call from the Owner regarding the reinspection, OFD notified the Owner that he had missed 3 inspection dates up to this time; and

WHEREAS, on December 22, 2022, a follow-up inspection was completed and 1 of the 12 violations had been resolved; and

WHEREAS, on January 10, 2023, the Chief sent a notice to the Owner via USPS that he was still in violation by renting apartments without a license and sent the Owner an email listing the open issues which needed to be resolved by January 12, 2023; and

WHEREAS, on February 8, 2023, a follow-up inspection of the premises found that 2 additional items (of the original 12) were resolved. However, because the tenants of some apartment units had not received notice of the reinspection, the OFD postponed reinspecting their units; and

WHEREAS, on February 17, 2023, a reinspection was performed and 3 additional violations of the original 12 were resolved. A summary of the remaining violations were emailed to the Owner on February 18, 2023; and

WHEREAS, on March 2, 2023, at a follow-up inspection 2 additional items had been resolved; and

WHEREAS, on March 12, 2023, the Chief sent the Owner requesting a further update and, receiving none, on May 19, 2023 the Chief sent the Owner a letter via USSP listing the remaining 4 unresolved violations and ordered that they be corrected within 12 days; and

WHEREAS, on May 6, 2023, a follow-up inspection was performed. A key for exterior doors was added to the KnoxBox. A key for the alarm panel was still needed; and

WHEREAS, on or about May 19, 2023, the Owner hired ISG (an engineering firm) to conduct an assessment of the condition of the exterior stairway. ISG's report states:

Several deficiencies were observed by ISG during the site visit. Notably, the staircase lacks adequate stability as evidenced by the shaking experience when traversed by a single user.

The staircase is in poor condition and shall be repaired or reconstructed in a timely manner to ensure the stair will have sufficient strength and stability for its intended function as a means of egress.

WHEREAS, summary of the Structural Evaluation Report of ISG is attached hereto; and

WHEREAS, on May 31, 2023, OFD met with the Owner's local maintenance person to review the remaining open items and a written copy of the violations was given to the maintenance person; and

WHEREAS, on June 30, 2023, a temporary rental license was issued effective as of August 10, 2022 with an expiration date of July 24, 2023 to allow Owner additional time to resolve the issue with the stairway violation; and

WHEREAS, on December 6, 2023, the Chief contacted the Owner requesting an updated progress report with a follow-up letter to the Owner on December 8, 2023 regarding 2 outstanding violations and reminding him that the temporary license had expired; and

WHEREAS, on January 2, 2024, the Chief tried to reach the local maintenance person by telephone but there was no answer and the voicemail was not set up. The Chief also left a voicemail for the Owner advising he was in violation of renting apartments without a license; and

WHEREAS, on January 4, 2024, the Chief requested the Owatonna Police Department (herein "OPD") to issue a citation to the Owner for renting without a license which was sent via email and certified USPS mail. The USPS tracking code showed the letter was delivered as of January 8, 2024; and

WHEREAS, on April 17, 2024, the OFD responded to a fire incident on the premises and noted other violations on 4/23/24 which had not been fixed at a follow-up inspection on May 7, 2024; and

WHEREAS, on June 3, 2024, a follow-up inspection was conducted at which time 2 of the 3 outstanding violations were completed. On that date it was also noted that there were no lights or electricity in the common areas. A copy of the Fire Inspector's on June 3, 2024 is attached. The matter was reported to the Owner. Subsequently the Owner notified the Chief the electricity was back on. The Chief also checked with the alarm monitoring company which reported that it had stopped getting daily tests from the alarm system on May 16, 2024; and

WHEREAS, on June 17, 2024, a follow-up inspection was conducted regarding the violations that were identified on April 23, 2024 and there was 1 remaining issue that had not been resolved; and

WHEREAS, on June 19, 2024, the Chief notified the Owner's maintenance person that the alarm system needed to have its annual inspection. In response the Owner said he would contact the alarm inspection contractor; and

WHEREAS, on June 25, 2024, OFD spoke with the local maintenance person who said that the alarm violation had not yet been corrected; and

WHEREAS, the emergency exit stairway, which was identified as a violation on August 30, 2022 has not been resolved; and

WHEREAS, as of this day the Owner still does not have a valid rental license; and

WHEREAS, Minn. Stat. §463.15, Subd. 3 provides that:

Subd. 3. Hazardous building or hazardous property. "Hazardous building or hazardous property" means any building or property, which because of inadequate maintenance, dilapidation, physical damage, unsanitary condition, or abandonment, constitutes a fire hazard to public safety or health.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF OWATONNA, MINNESOTA, AS FOLLOWS:

1. That pursuant to the foregoing findings and in accordance with Minn. Stat. §§463.15-463.261 the Council hereby declares that the building located at 304 Highland Avenue is a hazardous building; and further, the Council hereby orders that the above-named Owner of the premises submit plans and specifications to the City Building Official from a licensed engineer or licensed contractor to abate the hazardous conditions, apply and pay the necessary fee for a building permit, and enter into a written agreement with a licensed contractor including a timeline and submit the agreement to the Building Official on or before 21 days from the date of service of this Order for review. It is further ordered that the Owner and its licensed contractor immediately undertake to secure, shore-up, repair, remove or raze, the components of the structure which pose immediate hazards to tenants or entrants specified by the licensed engineer or licensed contractor within 21 days of the date of service of this Order.
2. Service of this Order shall be made upon the Owner of record and upon any occupying tenants and lien holders of record as provided in the manner for service of a Summons in a civil action or otherwise provided by law.
3. If no Answer is served within 21 days from the date of service, the City may move the Court for enforcement of the Order. If such motion is made, the Court, upon the evidence, shall enter judgment accordingly fixing the time after which the City may proceed with the enforcement of the Order and the Court Administrator shall cause a copy of the judgment to be mailed to those persons upon whom the original Order was served.
4. That the work necessary to abate the hazards on the premises shall be completed within 45 days of the date of service of this Order. All work shall be completed in compliance with all applicable codes and regulations of the City.
5. That if the work specified here is not completed within 45 days of the date of service of this Order, then a Motion for Summary Enforcement of the Order will be made to the District Court of Steele County unless corrective action is taken, or unless an Answer is filed by said Owner with the District Court within 21 days from the date of service of this Resolution. If an Answer is filed and served by the Owner the action has priority over all pending civil actions and shall be tried forthwith. If the

Order is sustained following the trial, the Court shall enter judgment and fix a time after which the building must be razed or repaired or the hazardous condition removed or corrected in compliance with the Order as originally filed or modified by the Court. The Court Administrator shall cause a copy of the Judgment to be mailed forthwith to the persons upon whom the original Order was served.

6. If the judgment is not complied within the time as ordered by the Court, the City may proceed to have the building repaired, razed, or removed or the hazardous condition to be removed as set forth in the judgment. The cost of the repairs, razing, correction, or removal may be a lien against the real estate on which the building is located or the hazardous condition exists or recovered by obtaining a judgment against the Owner of the real estate, all pursuant to Minn. Stat. § 463.21.
7. That in accordance with Minn. Stat. §463.24, the Owner or occupants shall remove any and all personal property and/or fixtures that will unreasonably interfere with the work necessary to abate the hazards within a reasonable time, notice of which will be mailed to the Owner. If the property and/or fixtures are not removed and the City enforces this Order, the City may sell personal property, fixtures, and/or salvage materials at a public auction after three days' posted notice.
8. That all enforcement costs incurred by the City will be specially assessed against the property and collected in accordance with Minn. Stat. §§ 463.22, 463.15 to 463.261.
9. That the City Attorney is authorized to proceed with the enforcement of this Order as provided in Minn. Stat. §§463.15 to 463.261.

Passed and adopted this _____ day of _____ 2024, with the following vote: Aye _____; No _____; Absent _____.

Approved and signed this _____ day of _____, 2024.

Thomas A. Kuntz, Mayor

ATTEST:

Kris M. Busse, City Administrator

FRANK X. VIGGIANO - VIGGIANO, LLC

REN BECK, CITY OF OWATONNA



651.336.4243

Structural Evaluation Report

Canfield Apartments Exterior Stair
Owatonna, MN 55060

June 9, 2023

Project No. 29342



Architecture
Engineering
Environmental
Planning
©Ginc.com

REPORT FOR:
Frank Viggiano
86 Spruce St
Mahtomedi, MN 55115
651.336.4243
fviggiano@comcast.net

FROM:
ISG
Sam Brockshus, PE
115 E Hickory St, Suite 300
Mankato, MN 56001
507.387.6651
Sam.Brockshus@ISGInc.com

BACKGROUND

The City of Owatonna Fire Department completed an inspection of Canfield Apartments at 328 Pine Ave N in Owatonna, MN, on August 30, 2022. Ed Hoffman, Fire Chief and Emergency Management Director, City of Owatonna, provided a letter to Frank Viggiano of ViggCo II, owner of Canfield Apartments, on May 19, 2023, regarding open violations of the Minnesota State Fire Code (MSFC). One of these violations relates to substandard conditions of an exterior stair.

Frank Viggiano engaged ISG on May 31, 2023 to complete an evaluation of the existing structural conditions. Sam Brockshus of ISG completed a site visit on May 31, 2023, to take photos and make observations of the stair condition. All observations are limited to readily visible structural elements and their condition at the time of visual inspection. No testing, dismantling, or in-depth studies were performed.

The intent of this Structural Evaluation Report is to identify existing conditions and provide recommendations for repairs to the stair if any are deemed necessary. This report is to serve as an integral tool for the building owner's decision making process. ISG is pleased to have assisted with this effort, and looks forward to assisting with any follow-up steps where ISG can provide value.

OBSERVATIONS

The staircase under review is a wooden structure that leads from an exit door on the west exterior wall on the second floor to the ground level on the south side of the building. The staircase wraps around the southwest corner of the building and is partially supported by the roof structure of a small shed/lean-to structure attached to the main building. The stair is primarily constructed of wood joists, beams, stringers, and columns. The stairs are also supported in part by some shallow concrete foundations. The age of the stair structure is unknown, but it was likely constructed over 20 years ago.

Several deficiencies were observed by ISG during the site visit. Notably, the staircase lacks adequate stability as evidenced by the shaking experienced when traversed by a single user. Several wood members appear worn and show signs of cracking, rot, or general deterioration. Several connections are either rusted, split, or missing. It is unclear if the wood is a treated material rated for outdoor use. The foundations appear to be performing adequately, but could be undersized for a full design load required by the governing Building Codes. Additionally, the stair foundations appear to not have proper protection from the effects of frost. Refer to Appendix A for photo documentation and commentary on these deficiencies.

RECOMMENDATIONS

The staircase is in poor condition and shall be repaired or reconstructed in a timely manner to ensure the stair will have sufficient strength and stability for its intended function as a means of egress. Refer to the recommendations listed in Appendix A for more information on specific repair needs. Due to the quantity of needed repairs, ISG believes it will be more cost-effective to replace the entire staircase in lieu of completing repairs for all noted deficiencies. A structural engineer will be required to complete Construction Documents for the design of the new stair such that it can be constructed by a qualified contractor.

Inspection No:	2024060310159
Inspection Date:	06/03/2024
Inspection Time:	0.5
Inspected By:	Brase, Arik

OWATONNA FIRE INSPECTION REPORT



Inspection and Compliance Orders			
Facility:	Canfield Apartments (Viggco II LLC)	Address:	328 Pine Avenue North
Phone:	651-336-4243		
Fax:		City:	Owatonna
Email:	fviggiano@comcast.net	State:	MN
		Postal Code:	55060
Primary Contact			
Contact:	Viggiano, Frank	Work:	
Email:	FViggiano@comcast.net	Cell:	651-336-4243

Inspection Type:	Inspection-Reinspection
------------------	-------------------------

Violation Code	Days to Correct*	Violation	Notes	Location
Section 151.06 Subd. A. Substandard Buildings	657	Substandard Buildings Generally: Any building or portion thereof, or the premises on which the same is located, where violations of this code exist, or where the following listed conditions are present, to an extent that endangers the life, limb, health, property, welfare or safety of the public or the occupants thereof shall be deemed and is hereby declared to be a substandard building. All conditions noted below are regulated under the International Building Code and International Fire Code elsewhere adopted in this chapter. 1. Dampness of habitable rooms. 2. General dilapidation or improper maintenance. 3. Deteriorated or inadequate foundations. 4. Defective or deteriorated flooring or floor supports. 5. Walls, partitions or other vertical supports that twist, lean or buckle. 6. Roofs, ceilings or other horizontal members that sag or buckle. 7. Fireplaces or chimneys that lean, crumble or settle. 8. Maintenance of any public nuisance as defined in city ordinance or state statute. 9. Maintenance of any nuisance which may be a safety hazard, including abandoned wells, shafts, basements, cisterns or excavations; abandoned refrigerators or motor vehicles; structurally unsound buildings or fences; or any lumber, trash, fence, debris or unlawful vegetation. 10. Electrical wiring that does not conform to the law in effect at the time of installation or any wiring that is not maintained in good condition. Such conditions may include, but are not limited to broken wires, bare or frayed wires, broken or burned outlets and switches, missing cover plates, fuses rated for more than wiring, and bypassed or defeated fuses/circuit breakers. 11. Deteriorated, crumbling or loose plaster or sheet rock. 12. Deteriorated or ineffective weatherproofing of exterior walls, roof, foundations or floors, including broken windows or doors. 13. Defective or lack of weather protection for exterior of structures, including lack of paint, or weathering due to lack of paint or other approved protective covering as provided herein. Exterior wood members treated with decay-resistant materials and designed to be left in an unpainted state are exempt from this requirement. 14. Broken, rotted, split or buckled exterior wall coverings or roof covering. 15. Any building or portion thereof, device, apparatus, equipment, combustible waste or vegetation which is in such condition as to cause fire or explosion or provide a ready fuel to augment the spread and intensity of any fire or explosion arising from any cause. 16. Railings, banisters, decks, balconies, and stairways that are broken, not secure or constructed in such manner as to present a danger to those using such railing, banister, deck, balcony, or stairway. 17. Inadequate heating, inadequate hot/cold running water, or lack of toilet, bath or shower facilities where required.	Missing board on eve east side of building. Eve of structure surrounding stairs to basement SW corner of building and vent above window on west side of building that is not closed in. Stairs to be repaired on SW corner of building. Missing window in storm door near stairs leading to basement SW corner of building. Apartment 3 Ceiling fixed as of 02/17/2023. Door to Basement Corrected as of 06/02/2023. Eve Fixed on Basement Enclosure as of 06/02/2023. Vent on West Side Corrected as of 06/02/2023.	Apartment 3 Ceiling And Exterior (See Notes)
506.1	657	Provide a key box in an approved and accessible location. Such key box shall be of an approved type and shall contain keys to gain access as required by the fire code official.	Keys for knox box to gain access to building and pull station keys.	

Inspection Notes:

* Number of days to correct from date inspected.

A variance procedure is available. Please contact the inspector named for further assistance with this or any other matter.



DATE: November 6, 2024
TO: Mayor and City Council
FROM: Ed Hoffman, Fire Chief
SUBJECT: Resolution 114-24: Hazardous Building - 304 Highland Ave NW

Purpose:

The purpose of proposed Resolution No. 114-24 is to designate the building located at 304 Highland NW as a hazardous building and order that the hazardous conditions be repaired.

Background:

The City Fire Chief along with the City Building Official have determined the front porch area is unsafe in violation of codes and needs to be either repaired or razed pursuant to Minnesota State Fire Code Section 111.4, which provides: "The *owner*, the owner's authorized agent, operator or occupant of a building or premises deemed unsafe by the *fire code official* shall abate or cause to be abated or corrected such unsafe conditions either by repair, rehabilitation, demolition or other *approved* corrective action."

Budget Impact:

In the event it becomes necessary for the City to remedy the violations, the statute provides that the costs incurred may be assess against the premises.

Staff Recommendation:

It is recommended the Council adopt Resolution 114-24.

Attachments:

1. Resolution 114-24 Hazardous Building - 304 Highland Ave NW

RESOLUTION NO. 114-24

A RESOLUTION DECLARING THAT THE BUILDING LOCATED AT 304 HIGHLAND AVENUE, OWATONNA, MINNESOTA IS A HAZARDOUS BUILDING AND ORDERING THE ABATEMENT OF HAZARDOUS CONDITIONS THEREIN.

WHEREAS, Erin Gillespie (herein “Owner”) is Owner of the building located at 304 Highland Avenue, Owatonna, Minnesota, legally described as follows:

Lot 1, Block 11, Riverside Addition to the City of Owatonna, Steele County, Minnesota.

WHEREAS, Erin R. Gillespie is Grantee of that certain Quit Claim Deed dated July 13, 2013 and recorded in the Office of the Steele County Recorder on August 8, 2013 as Document No. A000392870 wherein it is stated that the property is “her sole and separate property”.

WHEREAS, on September 8, 2023 the Owatonna Fire Department (herein “OFD”), upon a routine review of rental licensing records, identified that the above rental property for which there was no current rental license and an Order for Correction letter was issued and mailed via USPS to Ms. Gillespie; and

WHEREAS, on October 2, 2023, Ed Hofmann, Fire Chief (herein “Chief”), spoke with the Owner and informed her of the Order letter above and that she needed current rental licenses for this property and others; and

WHEREAS, on October 13, 2023, OFD mailed another copy of Orders for Correction to the Owner via USPS; and

WHEREAS, on October 27, 2023, the Chief spoke with the Owner again regarding the license requirement and she said she would apply for the licenses that day and schedule inspections within the next two weeks; and

WHEREAS, on November 2, 2023, the Chief left a voicemail message for the Owner notifying her that no licenses for her properties had been obtained yet. In response, the Owner sent the Chief an email stating that she would apply for the licenses over the weekend; and

WHEREAS, on November 27, 2023, the Owner applied for a rental license on-line; and

WHEREAS, on January 31, 2024, a rental inspection of the above premises was performed by OFD and 9 violations were found, including structural problems with the

front porch. (See Fire Inspector Report and photo, attached). Given the suspected structural issues, a copy of the Rental Inspection Report was forwarded to Ken Beck, Owatonna Building Official (herein "Building Official"); and

WHEREAS, on February 5, 2024, the Owner responded to OFD's email advising that "some" of the violations would be addressed by her husband, Justin Ohnstad; and

WHEREAS, on February 6, 2024, the Building Official spoke to Mr. Ohnstad and sent him a follow-up email attaching the OFD report and requesting an update for corrective action as soon as possible; and

WHEREAS, on February 6, 2024, the Owner stated that the structural issues were to be handled by Mr. Ohnstad; and

WHEREAS, on February 15, 2024 and February 22, 2024, the OFD requested updates from the Owner; and

WHEREAS, on February 23, 2024, the Owner replied that she was "most of the way there" on meeting the requirements from the inspection; and

WHEREAS, on February 24, 2024, the OFD requested that the Owner make an appointment for the reinspection and also inquired about the structural issues; and

WHEREAS, on February 27, 2024, the Owner replied that she had not "heard anything" about fixing the structural issues; and

WHEREAS, on March 19, 2024, OFD contacted the City Building Official inquiring about any updates and the Building Official indicated he had not; and

WHEREAS, on March 29, 2024, the Chief spoke with the Owner and asked that a reinspection be scheduled for the unsolved violations; and

WHEREAS, on April 1, 2024, the Owner asked that the inspection be postponed to April 10, 2024 due to the illness of one of the tenants; and

WHEREAS, on April 10, 2024, a reinspection was completed and all items were resolved except for the structural problems; and

WHEREAS, on April 11, 2024 and again on May 29, 2024, the Chief left messages for the Owner to return his call; and

WHEREAS, on July 12, 2024, the Chief requested that the Owatonna Police Department (herein "OPD") issue a citation via certified mail for renting property without a license; and

WHEREAS, on July 25, 2024, the Chief hand delivered a copy of the citation to the Owner's place of business and left the same with a co-worker and also emailed a copy to the Owner; and

WHEREAS, on July 25, 2024, the Chief received an acknowledgement of the citation from the Owner; and

WHEREAS, the outstanding structural issues have not yet been corrected and no work has been undertaken to abate the hazards related to the structural issues on the premises; and

WHEREAS, Minn. Stat. §463.15, Subd. 3 provides that:

Subd. 3. Hazardous building or hazardous property. "Hazardous building or hazardous property" means any building or property, which because of inadequate maintenance, dilapidation, physical damage, unsanitary condition, or abandonment, constitutes a fire hazard to public safety or health.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF OWATONNA, MINNESOTA, AS FOLLOWS:

1. That pursuant to the foregoing findings and in accordance with Minn. Stat. §§463.15-463.261 the Council hereby declares that the building located at 304 Highland Avenue is a hazardous building; and further, the Council hereby orders that the above-named Owner of the premises submit plans and specifications to the City Building Official from a licensed contractor to remove and abate the hazardous conditions. If the Owner intends to rebuild the porches then the Owner shall also submit plans and specifications and a written agreement with a licensed engineer. The Owner shall apply and pay the necessary fee for a building permit, and enter into a written agreement with a licensed contractor including a timeline and submit the agreement to the Building Official on or before 21 days after the service of this Resolution for review. It is further ordered that the Owner and its licensed contractor immediately undertake to secure, shore-up, repair, remove or raze, the components of the structure which pose immediate hazards to tenants or entrants specified by the licensed engineer or licensed contractor within 21 days of the date of service of this Order.

2. Service of this Order shall be made upon the Owner of record and upon any occupying tenants and lien holders of record as provided in the manner for service of a Summons in a civil action or otherwise provided by law.
3. If no Answer is served within 21 days from the date of service, the City may move the Court for enforcement of the Order. If such motion is made, the Court, upon the evidence, shall enter judgment accordingly, fixing the time after which the City may proceed with the enforcement of the Order and the Court Administrator shall cause a copy of the judgment to be mailed to those persons upon whom the original Order was served.
4. That the work necessary to abate the hazards on the premises shall be completed within 45 days of the date of service of this Order. All work shall be completed in compliance with all applicable codes and regulations of the City.
5. That if the work specified herein is not completed within 45 days of the date of service of this Order, then a Motion for Summary Enforcement of the Order will be made to the District Court of Steele County unless corrective action is taken, or unless an Answer is filed by said Owner with the District Court within 21 days from the date of service of this Order.
6. If an Answer is filed and served by the Owner the action has priority over all pending civil actions and shall be tried forthwith. If the Order is sustained following the trial, the Court shall enter judgment and fix a time after which the building must be destroyed or repaired or the hazardous condition removed or corrected in compliance with the Order as originally filed or modified by the Court. The Court Administrator shall cause a copy of the Judgment to be mailed forthwith to the persons upon whom the original Order was served.
7. If the judgment is not complied within the time as ordered by the Court, the City may proceed to have the building repaired, razed, or removed or the hazardous condition to be removed as set forth in the judgment. The cost of the repairs, razing, correction, or removal may be a lien against the real estate on which the building is located or the hazardous condition exists or recovered by obtaining a judgment against the Owner of the real estate, all pursuant to Minn. Stat. § 463.21.
8. In accordance with Minn. Stat. §463.24, the Owner or occupants shall remove any and all personal property and/or fixtures that will unreasonably interfere with the work necessary to abate the hazards within a reasonable time, notice of which will be mailed to the Owner. If the property and/or fixtures are not removed and the City enforces this Order, the City may sell personal property, fixtures, and/or salvage materials at a public auction after three days' posted notice.

9. That all enforcement costs incurred by the City will be specially assessed against the property and collected in accordance with Minn. Stat. §§ 463.22, 463.15 to 463.261.

10. That the City Attorney is authorized to proceed with the enforcement of this Order as provided in Minn. Stat. §§ 463.15 to 463.261.

Passed and adopted this _____ day of _____ 2024, with the following vote: Aye _____; No _____; Absent _____.

Approved and signed this _____ day of _____, 2024.

Thomas A. Kuntz, Mayor

ATTEST:

Kris M. Busse, City Administrator



Inspection No:	202401319484
Inspection Date:	01/31/2024
Inspection Time:	1
Inspected By:	Seykora, Ryan

**OWATONNA
FIRE INSPECTION REPORT**



Inspection and Compliance Orders			
Facility:	Erin Gillespie Rental	Address:	304 Highland Avenue
Phone:	507-213-9900	City:	Owatonna
Fax:		State:	MN
Email:	erin@erahome.com	Postal Code:	55060
Primary Contact			
Contact:	Gillespie, Erin	Work:	507-451-3756
Email:	erin@erahome.com	Cell:	507-213-9900

Inspection Type:	Inspection - Rental Inspection
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Violation Code	Days to Correct*	Violation	Notes	Location
1103.8.1	30	Replace the existing smoke alarms that have failed to operate or are more than 10 years old with listed smoke alarms having the same type of power supply.	Unit 304: Both Bedrooms, Living Room and Basement Unit 304 1/2: Bedroom and Living Room	Both Units
299.F.50	30	Provide carbon monoxide detection within 10 feet of all bedrooms.	Need a CO detector in upstairs unit within 10 feet of the bedroom.	Unit 304 1/2
906.2	30	Provide minimum rated 2A-10B:C portable fire extinguishers mounted in accessible and conspicuous locations. Extinguishers shall be located so that the travel distance from any point within the building to the nearest fire extinguisher does not exceed 75 feet.	Need a fire extinguisher in both upstairs and downstairs unit.	Both Units
504.6 Domestic cloths dryer ducts	30	Exhaust ducts for domestic cloths dryers shall be constructed of metal and have a smooth interior finish. The exhaust duct shall be a minimum nominal size of 4" (102mm) in diameter. The entire exhaust system shall be supported and secured in place. The male end of the duct at overlap duct joints shall extend in the direction of airflow. Cloths dryer transition ducts used to connect the appliance to the exhaust duct system shall be limited to single lengths not to exceed 8 feet (2438mm) and shall be listed and labeled for the application. Transition ducts shall not be concealed within construction	Repair and reattach dryer duct in basement. Also replace flexible duct with 4-inch, smooth hard pipe.	Dryer in Basement
Section 151:11 Subd. D.1 Bedrooms-Means of Egress	30	Bedrooms: 1. Means of Egress. All sleeping rooms shall have a primary and a secondary means of escape. The primary means of escape is the primary access to a room. The secondary means of escape may be a window meeting the minimum size requirements set forth hereafter. All means of egress shall comply with this section and Minnesota State Fire Marshal Office Policy # INS-04 (2007) located in the office of the City Building Official and/or City Fire Chief.	Bedroom next to the living room needs to have access to the window for second means of egress in the event of an emergency.	Unit 304
Section 157.044 Outside Storage	30	(A) In all residential districts, all personal property shall be stored within a building or fully screened so as not to be visible from adjoining properties and public streets, except for the following: laundry drying and recreational equipment, construction and landscaping materials and equipment currently (within a period of 12 months) being used on the premises, agricultural equipment and materials if these are used or intended for use on the premises, off-street parking or licensed passenger automobiles and pickup trucks. The exterior storage of wood for use in wood burning stoves, fireplaces, furnaces and the like shall also be permitted to the extent that such storage shall be done in an orderly fashion.(B) In non-residential districts, outside storage shall be regulated as provided for in §§ 157.020 through 157.028 and 157.070 through 157.080 of this chapter.		Clean up property on the exterior

315.3	30	Provide orderly storage of materials inside buildings. Piles of materials stored inside buildings shall be stable.	Basement needs to be cleaned up and organized. No storage is permitted under unprotected basement stairs.	Basement
Section 151.07 Subd. E. Windows and Doors	30	Windows and Doors: Windows and doors shall be operable, in sound condition and good repair. Broken windows shall be replaced. Rotting window frames shall be replaced or repaired.	Window in the living room on the East side of the property is broke and needs to be replaced.	Upstairs Unit
Section 151.06 Subd. A. Substandard Buildings	30	Substandard Buildings Generally: Any building or portion thereof, or the premises on which the same is located, where violations of this code exist, or where the following listed conditions are present, to an extent that endangers the life, limb, health, property, welfare or safety of the public or the occupants thereof shall be deemed and is hereby declared to be a substandard building. All conditions noted below are regulated under the International Building Code and International Fire Code elsewhere adopted in this chapter. 1. Dampness of habitable rooms. 2. General dilapidation or improper maintenance. 3. Deteriorated or inadequate foundations. 4. Defective or deteriorated flooring or floor supports. 5. Walls, partitions or other vertical supports that twist, lean or buckle. 6. Roofs, ceilings or other horizontal members that sag or buckle. 7. Fireplaces or chimneys that lean, crumble or settle. 8. Maintenance of any public nuisance as defined in city ordinance or state statute. 9. Maintenance of any nuisance which may be a safety hazard, including abandoned wells, shafts, basements, cisterns or excavations; abandoned refrigerators or motor vehicles; structurally unsound buildings or fences; or any lumber, trash, fence, debris or unlawful vegetation. 10. Electrical wiring that does not conform to the law in effect at the time of installation or any wiring that is not maintained in good condition. Such conditions may include, but are not limited to broken wires, bare or frayed wires, broken or burned outlets and switches, missing cover plates, fuses rated for more than wiring, and bypassed or defeated fuses/circuit breakers. 11. Deteriorated, crumbling or loose plaster or sheet rock. 12. Deteriorated or ineffective weatherproofing of exterior walls, roof, foundations or floors, including broken windows or doors. 13. Defective or lack of weather protection for exterior of structures, including lack of paint, or weathering due to lack of paint or other approved protective covering as provided herein. Exterior wood members treated with decay-resistant materials and designed to be left in an unpainted state are exempt from this requirement. 14. Broken, rotted, split or buckled exterior wall coverings or roof covering. 15. Any building or portion thereof, device, apparatus, equipment, combustible waste or vegetation which is in such condition as to cause fire or explosion or provide a ready fuel to augment the spread and intensity of any fire or explosion arising from any cause. 16. Railings, banisters, decks, balconies, and stairways that are broken, not secure or constructed in such manner as to present a danger to those using such railing, banister, deck, balcony, or stairway. 17. Inadequate heating, inadequate hot/cold running water, or lack of toilet, bath or shower facilities where required.	Shoring on the Porch needs to be addressed. This issue is going to be referred to building inspections department for follow-up.	East side of the Property

Inspection Notes:

Violations need to be completed within 30 days. A reinspection will need to be completed.

Inspector:
Ryan Seykora

* Number of days to correct from date inspected.

A variance procedure is available. Please contact the inspector named for further assistance with this or any other matter.



DATE: November 6, 2024
TO: Mayor and City Council
FROM: Emily Thamert, Human Resources Director
SUBJECT: Resolution 115-24: Labor Agreement - Minnesota Public Employees Association
- Police Officers

Purpose:

Council approval of Resolution 115-24 to approve the 2025-2027 labor agreement with the Minnesota Public Employees Association, Police Officers.

Background:

Staff have been in negotiations with the Police Officers. A tentative agreement has been reached. A summary of the changes are as follows:

- **Wages** - General wage increase on the approved wage scale 5% effective January 1, 2025; 4% effective January 1, 2026; 4% effective January 1, 2027. Add a step to the top of the scale and remove the bottom effective January 1, 2026. Employees that have remaining steps on the wage scale will receive a step effective January 1 each year 2025-2027.
- **Insurance** - Monthly employer contribution towards premiums increased by \$18 (single) and \$50 (family) effective 2025; \$36 (single) and \$102 (family) effective 2026; \$26 (single) and \$72 (family) effective 2027. Annual employer contribution towards Health Savings Account increased by \$200 (single) and \$400 (family) effective 2026 and 2027.
- **Shift Differential** - Increase from \$0.69 to \$1.00 per hour for shifts scheduled to begin between 11:00 am and 5:59 pm. Increase from \$0.94 to \$1.50 per hour for shifts scheduled to begin between 6:00 pm and 6:29 am.
- **Holiday** - Add Juneteenth holiday currently in MOU to body of contract
- **MOU** - Master Patrol Officer

Budget Impact:

The budget impact to implement the 2025-2027 Police Officer contract is \$534,548.

Staff Recommendation:

Staff recommends approval of Resolution 115-24.

Attachments:

1. Resolution 115-24 Police Officers Contract 2025-2027

RESOLUTION NO. 115-24

A RESOLUTION APPROVING LABOR AGREEMENT
BETWEEN THE CITY OF OWATONNA AND
MINNESOTA PUBLIC EMPLOYEES ASSOCIATION – POLICE OFFICERS

WHEREAS, Minnesota Public Employees Association – Police Officers
is the exclusive representative for certain City of Owatonna employees; and

WHEREAS, the current labor agreement between the City of Owatonna and Minnesota
Public Employees Association – Police Officers will expire on December 31, 2024; and

WHEREAS, the City of Owatonna and Minnesota Public Employees Association – Police
Officers met and negotiated over the terms of the new labor agreement between the parties;
and

WHEREAS, the parties reached a tentative agreement of the terms of the new labor
agreement; and

WHEREAS, the Public Employment Relations Act requires that the City of Owatonna
execute a labor agreement and implement it in the form of a resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF OWATONNA OF OWATONNA,
MINNESOTA, AS FOLLOWS:

1. The Labor Agreement between the City of Owatonna and Minnesota Public
Employees Association – Police Officers for January 1, 2025 through December 31,
2027 is approved.
2. The Mayor and the City Administrator shall execute the agreement.
3. The City of Owatonna shall implement the agreement.

Passed and adopted this ____ day of _____, 2024, with the following vote:

Aye ____; No ____; Absent ____.

Approved and signed this ____ day of _____, 2024.

Thomas A. Kuntz, Mayor

ATTEST:

Kris M. Busse, City Administrator/City Clerk



DATE: November 6, 2024
TO: Mayor and City Council
FROM: Emily Thamert, Human Resources Director
SUBJECT: Resolution 116-24: Labor Agreement - Minnesota Public Employees Association
- Sergeants

Purpose:

Council approval of Resolution 116-24 to approve the 2025-2027 labor agreement with the Minnesota Public Employees Association, Sergeants.

Background:

Staff have been in negotiations with the Sergeants. A tentative agreement has been reached. A summary of the changes are as follows:

- **Wages** - General wage increase on the approved wage scale 5% effective January 1, 2025; 4% effective January 1, 2026; 4% effective January 1, 2027. Add a step to the top of the scale and remove the bottom effective January 1, 2026. Employees that have remaining steps on the wage scale will receive a step effective January 1 each year 2025-2027.
- **Insurance** - Monthly employer contribution towards premiums increased by \$18 (single) and \$50 (family) effective 2025; \$36 (single) and \$102 (family) effective 2026; \$26 (single) and \$72 (family) effective 2027. Annual employer contribution towards Health Savings Account increased by \$200 (single) and \$400 (family) effective 2026 and 2027.
- **Shift Differential** - Increase from \$0.69 to \$1.00 per hour for shifts scheduled to begin between 11:00 am and 5:59 pm. Increase from \$0.94 to \$1.50 per hour for shifts scheduled to begin between 6:00 pm and 6:29 am.
- **Holiday** - Add Juneteenth holiday currently in MOU to body of contract
- **MOU** - Master Sergeant

Budget Impact:

The budget impact to implement the 2025-2027 Sergeant contract is \$210,155.

Staff Recommendation:

Staff recommends approval of Resolution 116-24.

Attachments:

1. Resolution 116-24 Sergeants Contract 2025-2027

RESOLUTION NO. 116-24

A RESOLUTION APPROVING LABOR AGREEMENT
BETWEEN THE CITY OF OWATONNA AND
MINNESOTA PUBLIC EMPLOYEES ASSOCIATION - SERGEANTS

WHEREAS, Minnesota Public Employees Association - Sergeants
is the exclusive representative for certain City of Owatonna employees; and

WHEREAS, the current labor agreement between the City of Owatonna and Minnesota
Public Employees Association - Sergeants will expire on December 31, 2024; and

WHEREAS, the City of Owatonna and Minnesota Public Employees Association - Sergeants
met and negotiated over the terms of the new labor agreement between the parties; and

WHEREAS, the parties reached a tentative agreement of the terms of the new labor
agreement; and

WHEREAS, the Public Employment Relations Act requires that the City of Owatonna
execute a labor agreement and implement it in the form of a resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF OWATONNA OF OWATONNA,
MINNESOTA, AS FOLLOWS:

1. The Labor Agreement between the City of Owatonna and Minnesota Public
Employees Association - Sergeants for January 1, 2025 through December 31, 2027
is approved.
2. The Mayor and the City Administrator shall execute the agreement.
3. The City of Owatonna shall implement the agreement.

Passed and adopted this ____ day of _____, 2024, with the following vote:

Aye ____; No ____; Absent ____.

Approved and signed this ____ day of _____, 2024.

Thomas A. Kuntz, Mayor

ATTEST:

Kris M. Busse, City Administrator/City Clerk



DATE: November 6, 2024
TO: Mayor and City Council
FROM: Emily Thamert, Human Resources Director
SUBJECT: Resolution 117-24: Revised Personnel Policy Manual

Purpose:

Council approval of Resolution 117-24 to approve the new revised City of Owatonna Personnel Policy Manual.

Background:

The City of Owatonna and its legal counsel have developed and completed a new and revised Personnel Policy Manual for the City of Owatonna and its employees, to remain in compliance with all applicable state, federal, and local laws.

Budget Impact:

There is no budget impact.

Staff Recommendation:

Staff recommends approval of resolution 117-24.

Attachments:

1. Resolution 117-24 Personnel Policy Manual
2. proposed updated - Personnel Policy Manual (Owatonna) 11 06 24

RESOLUTION NO. 117-24

A RESOLUTION APPROVING NEW REVISED CITY OF OWATONNA PERSONNEL
POLICY MANUAL

WHEREAS, the City of Owatonna (the "City") and its legal counsel have developed and completed a new and revised Personnel Policy Manual for the City of Owatonna and its employees, to remain in compliance with all applicable state, federal, and local laws; and

WHEREAS, this Personnel Policy Manual shall not be applicable where it conflicts with a duly authorized collective bargaining agreement or the provision of various state statutes including the Public Employee Labor Relations Act and Civil Service Statutes; and

WHEREAS, the City and its legal counsel believe that this new and revised Personnel Policy Manual is necessary for the City to remain in compliance with all current, applicable state, federal, and local laws.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF OWATONNA OF OWATONNA, MINNESOTA, AS FOLLOWS:

1. That the Personnel Policy Manual is hereby approved, and the Mayor and City Administrator are hereby authorized to execute and distribute on the City's behalf.

Passed and adopted this ____ day of _____, 2024, with the following vote:

Aye ____; No ____; Absent ____.

Approved and signed this ____ day of _____, 2024.

Thomas A. Kuntz, Mayor

ATTEST:

Kris M. Busse, City Administrator/City Clerk



CITY OF
OWATONNA

PERSONNEL POLICY MANUAL

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CHAPTER 1: INTRODUCTION

1.1 ORGANIZATION

Our Purpose:

WE CREATE A BETTER TOMORROW

Our Values:

BETTER TOGETHER

We are one team of diverse perspectives and talents working to create a better tomorrow for Owatonna. We support each other, listen to understand, and respectfully challenge each other—always recognizing and trusting that we'll succeed more as a team than on our own.

COMMUNITY STEWARDSHIP

We are here to proactively care for, protect, and serve our community. We understand that our community trusts and empowers us to do our work responsibly, with integrity, and utilize resources efficiently and effectively.

PRIDE IN OUR WORK

We care, we show up prepared to work, and we strive for excellence in all that we do. We commit to continuously learn and improve each day. We believe if it's worth doing, it's worth doing well.

1.2 POLICY MANUAL PURPOSE AND USE

This manual sets forth general information and policies for the employees of the City of Owatonna. Its purpose is to establish a uniform and equitable system of personnel administration for the employees of the City of Owatonna. These policies are not contractual and are subject to change by the City Council. The material in this manual is not exhaustive and is only a set of guidelines. Although this manual has attempted to cover matters of general applicability to employees, it is not necessarily all-inclusive, because unanticipated circumstances may arise. Some unanticipated circumstances may require or warrant the application of discipline, including discharge.

1.3 SCOPE

The complete manual applies to all employees except those cases where a union contract has a differing provision, provided the city, in all events, reserves its inherent managerial authority. If any part or all of these guidelines are in conflict with federal, state, or local laws, such laws shall prevail.

The City of Owatonna is an Equal Opportunity Employer. These policies will be applied consistently to all employees. The City is committed to a workplace that is safe and free from harassment.

Except as otherwise specifically provided, these policies apply to all employees of the City of Owatonna except:

- Elected Officials
- City Attorney

- Members of city boards, commissions, and committees
- Volunteer personnel
- Consultants and contractors

1.4 DISCLAIMER

NOTHING IN THIS HANDBOOK OR ANY OTHER WRITTEN OR UNWRITTEN POLICIES, COURSE OF CONDUCT, OR PRACTICES OF THE CITY CREATES, OR IS INTENDED TO CREATE, AN EXPRESS OR IMPLIED CONTRACT, COVENANT, PROMISE OR REPRESENTATION BETWEEN THE CITY AND ITS EMPLOYEES.

THE CITY MAY CHANGE OR ELIMINATE POLICIES, OR PORTIONS THEREOF, CONTAINED IN THIS HANDBOOK AT ITS DISCRETION AT ANY TIME, AND WITHOUT NOTICE.

THIS HANDBOOK DOES NOT VEST IN ANY EMPLOYEE A RIGHT, BENEFIT, OR PRIVILEGE WHICH CANNOT BE CHANGED OR ELIMINATED BY THE CITY, IN ITS EXCLUSIVE DISCRETION, AT ANY TIME WITHOUT NOTICE TO EMPLOYEES.

EMPLOYMENT WITH THE CITY IS AT-WILL, EXCEPT AS OTHERWISE PROVIDED BY LAW OR CONTRACT. THIS MEANS THAT EMPLOYMENT MAY BE TERMINATED WITH OR WITHOUT CAUSE AT ANY TIME AT THE OPTION OF EITHER THE EMPLOYEE OR THE CITY. NO SUPERVISOR OR OTHER REPRESENTATIVE OF THE CITY HAS AUTHORITY TO ENTER INTO ANY AGREEMENT TO THE CONTRARY UNLESS APPROVED BY THE CITY COUNCIL.

1.5 DEFINITIONS

For purposes of these policies, the following definitions shall apply:

APPOINTING AUTHORITY – The individual(s) with authority to make hiring decisions. For the City of Owatonna, this shall mean the City Council or the City Council's designee(s).

BENEFITS – Privileges granted to an employee in the form of leaves of absence, insurance, or pay received in lieu of accrued leave upon termination of employment.

BENEFIT-EARNING STATUS – Status where employees are eligible for at least a prorated portion of employer provided benefits. Employees must be year-round employees working twenty (20) or more hours per week on a regular basis.

CERTIFIED EMPLOYEE – An employee that has successfully completed the initial evaluation period and has received a satisfactory performance evaluation.

CITY ADMINISTRATOR – The City Administrator of the City of Owatonna.

COUNCIL – The City Council of the City of Owatonna.

EMPLOYMENT AT-WILL – Either the organization or an employee may terminate the

employment relationship at any time without prior notice and for any reason.

EXEMPT EMPLOYEE – Salaried employees not covered by the overtime provisions of the Fair Labor Standards Act.

FISCAL YEAR – The period from January 1 to December 31.

FULL-TIME EMPLOYEE - An employee regularly scheduled to work forty (40) or more hours per week on a year-round basis.

NONEXEMPT EMPLOYEE – Hourly employees covered by the overtime provisions of the Fair Labor Standards Act.

OPEN ENROLLMENT PERIOD – A time period when employees may make necessary changes and/or additions to their insurance, Flexible Spending Accounts, other voluntary insurance, and other programs without requiring a qualifying event.

PAID TIME OFF (PTO) POLICY – replaces city policies on vacation, general sick leave, medical appointments, and funeral leave and combines these benefits into a single plan. Effective January 1, 2006, all City of Owatonna employees hired after 1/1/06 and not covered by a collective bargaining agreement shall be enrolled in the PTO program. Employees hired prior to 1/1/06 may elect to stay on the old plan or convert to the PTO plan.

PART-TIME EMPLOYEE – An employee scheduled to work less than forty (40) hours per week on a year-round basis.

PAY PERIOD – A two-week period beginning at 12:01 a.m. Sunday through 12:00 midnight Saturday, two weeks later. The hours will fall in the pay period in which your shift begins.

PAYROLL TIMESHEET – Record of hours worked.

PERA (Public Employees Retirement Association) – Statewide pension program in which all City employees meeting program requirements must participate in accordance with Minnesota law. The City and the employee each contribute to the employee's retirement account.

PROBATIONARY PERIOD – The first twelve months of employment with the city or the first twelve months in a new position for a regular city employee. This period is designated as a probationary period and is considered the last part of the selection process.

PROBATIONARY EMPLOYEE – An employee in a new position or a newly hired

employee employed during the first twelve months.

PROGRESSIVE REPRIMAND – A series of disciplinary steps that increase in severity when any employee's behavior is inappropriate. It is a tool for correcting poor employee performance or behavior, and the process ensures that the employee will be advised of substandard performance and will be provided with a plan of action for improvement. The major goal is to provide employees the opportunity to make a choice to improve their performance or behavior and to do so with clearly specified objectives and time frame.

PROMOTION – Movement of an employee from one job class to another within the city, where the maximum salary for the new position is higher than that of the former position.

REGULAR EMPLOYEE – An employee whose employment is intended to be year-round for an indefinite period and who has successfully completed all stages of the selection process including the probationary period.

SEASONAL EMPLOYEE – An employee who works only part of the year to assist in temporary, seasonal work.

TEMPORARY APPOINTMENT – Appointment to a city position on a temporary basis where no benefit-eligibility exists, and no credit is given for seniority.

TEMPORARY EMPLOYEE – An employee whose employment is intended to be for a fixed period of time or until the completion of a project or program and where no benefit-eligibility exists and no credit is given for seniority.

TRANSFER – Movement of an employee from one job class to another, or one position to another, of equivalent pay.

UNIFORMED SERVICES – the Armed Forces, the Army National Guard and the Air National Guard when engaged in active duty for training, inactive duty training, or full-time National Guard duty, the commissioned corps of the Public Health Service, and any other category of persons designated by the President in time of war or emergency.

1.6 EMPLOYEE AND EMPLOYER RESPONSIBILITY

An obligation rests upon every member of the management and supervisory staff, as well as upon each employee of the city, to render honest, efficient, and economical service in the performance of their duties.

Members of management and supervisory staff and the employees of the city together compose an organization for public service. The cooperation of all members of the organization in carrying out this policy is essential to attain the objectives of servicing the citizens of the City of Owatonna.

1.7 CITY RIGHT TO REVISE, REVOKE, OR ADD NEW POLICIES

This manual is a general statement of policy to be modified and applied by the organization at its discretion. The city reserves the right to make any changes or eliminate provisions at any time without notice, and to interpret these policies and procedures at the discretion of the organization. When there is a change, however, the City will update this manual as soon as possible.

Any employee manual or manuals distributed previously are now specifically revoked and rescinded and the provisions therein are now null and void.

Employment or continued employment following the distribution of this new manual and the revocation of all prior manuals or manuals will be considered your acceptance of this manual as the sole and exclusive source of information regarding your employment.

CHAPTER 2: EQUAL OPPORTUNITY EMPLOYER

2.1 AFFIRMATIVE ACTION AND EQUAL EMPLOYMENT OPPORTUNITY POLICY STATEMENT

The City of Owatonna is an Equal Opportunity Employment employer. It is the policy of the City of Owatonna to provide equality in employment to all persons. This policy expressly prohibits discrimination on the basis of actual or perceived race, creed, color, religion, alienage or national origin, ancestry, citizenship status, age, disability or handicap, sex, sexual orientation, gender, gender identity, marital status, hairstyle (i.e., locs or braids), veteran status, pregnancy status, genetic information, or any other characteristic protected by applicable federal, state or local laws. This policy applies to all phases of employment including, but not limited to recruitment, hiring, placement, promotion, demotion, transfer, layoff, recall, discharge, rates of pay or other forms of compensation, and selection for training. This policy also applies to the use of all facilities and participation in all city-sponsored employee activities. Employees have the right to seek redress in the event of discrimination. It is the responsibility of all department directors and supervisors to ensure implementation of this policy. An employee who fails to perform in a manner consistent with the affirmative action policy will be construed as grounds for discipline.

2.2 CITY OF OWATONNA AFFIRMATIVE ACTION POLICY

I. Equal Employment Opportunity Policy Statement

This is to affirm the City of Owatonna's policy of providing Equal Opportunity to all employees and applicants for employment in accordance with all applicable Equal Employment Opportunity/Affirmative Action laws, directives, and regulations of Federal, State, and local governing bodies or agencies thereof, specifically Minnesota Statutes 363. The City of Owatonna will not discriminate against or harass any employee or applicant for employment because of race, color, creed, religion, national origin, sex, sexual preference, disability, age, marital status, status with regard to public assistance, and any other protected class as determined by Federal or State law. The City of Owatonna will take Affirmative Action to ensure that all employment practices are free of such discrimination. Such employment practices include, but are not limited to, the following: Hiring, promotion, demotion, transfer, recruitment or recruitment advertising, layoff, disciplinary action, termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The City of Owatonna will use its best efforts to afford minority and female business enterprises with the maximum practicable opportunity to participate in the performance of contracts for construction projects in which this city engages. The City of Owatonna will commit the necessary time and resources, both financial and human, to achieve the goals of Equal Employment

Opportunity and Affirmative Action. Chapter 2: Equal Opportunity Employer
The City of Owatonna fully supports incorporation of non-discrimination and Affirmative Action rules and regulations into contracts. The City of Owatonna will evaluate the performance of its management and supervisory personnel on the basis of their involvement in achieving these Affirmative Action objectives as well as other established criteria. Any contractor not complying with all applicable Equal Employment Opportunity/Affirmative Action laws, directives, and regulations of the Federal, State, and local governing bodies or agencies thereof, specifically Minnesota Statutes 363, will be subject to removal from the qualified bidders list. The City of Owatonna has appointed the City Administrator to manage the Equal Employment Opportunity Program. Responsibilities will include monitoring all Equal Employment Opportunity activities and reporting the effectiveness of this Affirmative Action Policy, as required by Federal, State, and local agencies. The City Administrator of Owatonna will receive and review reports on the progress of the program. If any employee or applicant for employment believes he/she has been discriminated against, please contact the City Administrator, 540 West Hills Circle, Owatonna, MN 55060, or call (507) 444-4301.

II. Assignment of Responsibility for Affirmative Action Program

A. City Administrator

The Owatonna City Council authorizes the City Administrator to administer the Affirmative Action Policy on behalf of the city. It is the City Administrator's duty to provide Equal Employment Opportunity for job applicants as well as for all current employees of the City of Owatonna. The City Administrator's responsibilities as Affirmative Action Officer include, but are not limited to, the following:

1. Develops the city's Equal Employment Opportunity/Affirmative Action Policy, consistent with the city's policies, and establishes Affirmative Action goals and objectives.
2. Implements the Affirmative Action Policy, including internal and external dissemination of the policy.
3. Conducts and/or coordinates Equal Employment Opportunity Affirmative Action training and orientation of department directors and supervisors to inform them of their responsibilities pursuant to the Affirmative Action Policy.
4. Ensures that department directors and supervisors understand it is their responsibility
5. to take action to prevent the harassment of protected class employees and applicants for employment.
6. Holds annual discussions with department directors, supervisors, and employees to ensure the city's Equal Employment Opportunity

Affirmative Action policies are being followed.

7. Ensures all employees are provided equal opportunity as it relates to company sponsored training programs, recreational/social activities, benefit plans, pay, and other working conditions.
8. Ensures that all employees are given full opportunities for transfers and promotions.
9. Periodically reviews the training programs, hiring patterns, and promotion patterns to remove impediments to the attainment of goals and objectives. Chapter 2: Equal Opportunity Employer
10. Ensures that job descriptions for all city positions are based on relevant and appropriate job duties, and that reasonable accommodations will be made for employees with disabilities.
11. Serves as liaison between the city and relevant or applicable governmental enforcement agencies.
12. Serves as liaison between protected class groups and the city.
13. Receives, investigates, and attempts to resolve all Equal Employment Opportunity complaints.
14. Keeps the City Council and department directors informed of latest developments in the area of Equal Employment Opportunity.

B. Department Directors

The city's department directors are expected to comply with and promote the Affirmative Action Policy. The responsibilities of the department directors include, but are not limited to, the following:

1. Have an understanding of Equal Employment Opportunity laws and the city's Affirmative Action Policy.
2. Communicate the Affirmative Action Policy to departmental employees.
3. Post and maintain Equal Employment Opportunity posters and a copy of the city's Equal Employment Opportunity/Affirmative Action Policy Statement and related policies.
4. Ensure that action is taken to prevent the harassment of protected class employees and applicants for employment.
5. Department directors shall be responsible for providing ADA Request for Accommodation forms to employees and the general public.
6. Direct employees who have discrimination complaints to the City Administrator/Affirmative Action Officer.

III. Dissemination of Affirmative Action Policy

A. Internal Dissemination

1. The City Administrator/Affirmative Action Officer will ensure that the city's Equal Employment Opportunity/Affirmative Action Policy Statement and any other literature/printed material pertaining to

the city's position on Affirmative Action will be permanently and conspicuously posted throughout all city facilities.

2. The City of Owatonna will include an Equal Employment Opportunity Affirmative Action Policy Statement in the city's personnel rules.
3. All elected officials, department directors, and other appropriate supervisory personnel of the City of Owatonna shall receive a copy of the updated Affirmative Action Policy, including amendments, as they become available.
4. Each employee should be furnished a copy of the policy statement and have access to the Affirmative Action Policy. This policy will be made available to all employees including part-time, temporary, or seasonal employees. Chapter 2: Equal Opportunity Employer
5. Orientation and training sessions should be conducted to inform thoroughly all employees and management of the city's Equal Employment Opportunity/ Affirmative Action commitment and Affirmative Action Policy and of individual responsibility for effective implementation.
6. Review the city's Equal Employment Opportunity/Affirmative Action Policies at least once a year.
7. Include non-discrimination clauses in all union agreements and review all contractual provisions to ensure that they are non-discriminatory.

C. External Dissemination

1. The city will continue the practice of including the statement, the City of Owatonna is "An Equal Opportunity Employer" on all city letterhead, employment applications, and in advertisements recruiting employees, contractors, subcontractors, vendors, or suppliers.
2. The city will communicate to prospective employees the existence and contents of the Affirmative Action Policy and related policies.

CHAPTER 3: EMPLOYEE RECRUITMENT & SELECTION

3.1 RECRUITMENT, SELECTION AND APPOINTMENT

Determination of Position Opening

When a position is available, the department director will review the job description to determine whether the position is appropriate to the needs of the department.

Proposed changes in position classification, including creation of a new position, must receive City Administrator approval before recruitment or hiring activity may begin.

Recruitment

The Human Resource Director and the department director will review the lay-off register to determine whether any laid-off employees meet the minimum qualifications of the position. Laid-off employees may be recalled within one year of layoff. The Human Resource Director will notify qualified individuals, with preference given to the senior employee.

The department director will post the position vacancy form on departmental bulletin boards for a minimum of three (3) working days.

When a position vacancy is not filled by reinstatement, transfer, or promotion, the department director will advertise the position vacancy in at least one of the forms listed below:

- Advertisement in the official city newspaper
- Advertisement in other newspapers
- Advertisement in professional and trade journals
- Radio announcements
- Contact with public and private employment services
- Contact with secondary, college, technical, or vocational schools
- Contact with other organizations
- City website and/or other online sources

Applications will be available on the city website when jobs are posted. All applications must be completed online and submitted through our city website.

Evaluation and Selection

The following individuals may be considered for position vacancies:

- The senior qualified employee from the lay-off register
- Employees indicating interest in promotion or transfer by submitting an application

The Human Resource Director or the department director shall determine a field of the most qualified applicants using a point system for training and experience and which incorporates veterans' preference.

The following evaluative methods are typically utilized:

- Personal interview
- Testing – may be written, hands-on, or combination
- Training and Experience (100 point scale which may include 10-15 points for veteran status)
- Reference check

Evaluation methods and criteria must be applied consistently to all candidates for a position opening

and shall measure the criteria required to perform the duties defined by the job description.

The Human Resource Director and department director shall select the candidate best qualified to fill the position vacancy from the field of applicants. The department director shall provide the applicant selected to fill the vacant position with a written confirmation of the selection with notification that includes the job title, starting salary, a brief summary of benefits, starting date, and time and place to report. A copy of the notification shall be included in a personnel file for the new employee.

Positions hired in the Fire Department through the Civil Service Commission shall be in accordance with State law and appropriate policies and procedures as determined by the Commission.

3.2 TRANSFERS

Transfers may be made because of management decision or through an employee applying for a position opening. There is no guarantee that an employee's request for a transfer will be granted. Applications from current employees will generally be considered in the same manner as applications from new applicants.

When Transfers May Occur

Employee requested transfers may occur if there is an approved vacant position in the same or different department or division, and the employee applies and is qualified for that position. If the position requires a specific proficiency level, the internal applicant is subject to the same tests as outside applicants.

The city may transfer an employee or work from one department/division to another or to independent contractors in the interest of economy, efficiency operation, or for any other reason the city deems necessary.

Transfers for accommodating employees with serious illnesses, injuries, or disabilities shall be at the sole discretion of the city. Those employees with a serious illness or a disability shall be considered for a transfer only when there is an approved work assignment or vacant position. Transfers of this type will be limited to a position in an equal or lower grade. The city may require at any time written medical certification from a physician relating to the employee's ability to perform the essential functions of the position.

3.3 NEPOTISM POLICY

- 1) Purpose. To state the City's Nepotism Policy and provide guidelines for dealing with nepotism issues.
- 2) Policy. No employee of the City of Owatonna shall participate in the selection, hiring, promotion, transfer, supervision, disciplinary proceedings, or performance review of any person who is a close relative of the City employee. An indirect or direct supervisory relationship is prohibited between an employee and another employee who is a close relative.
- 3) Definitions. For purposes of this policy, "close relative" means a person who is related to the principal employee as a spouse, child, grandchild, parent, grandparent, brother, sister, aunt, uncle, nephew, or niece by blood, marriage, or other committed

relationship. This includes the foregoing persons who are considered an "in-law," "step," or "adopted" close relative. The policies and guidelines herein that apply to close relative[s] shall also apply to more distant relatives who are living in the same household of a City employee.

"Supervisory relationship" means a supervisor/subordinate relationship between employees.

- 4) Applicants. A close relative of a City employee may seek and obtain City employment as long as the City employee to whom the applicant is related does not participate in or otherwise influence the hiring of such close relative.
- 5) Supervision by Close Relative. No person or employee shall be hired or promoted to work in any job classification directly supervised by another employee who is a close relative of the person seeking to be hired or promoted. An employee shall not indirectly or directly supervise another employee who is a close relative.
- 6) Temporary/Seasonal. The City may employ a person who is a close relative of a City employee in a job classification that has an indirect or direct supervisory relationship with the City employee for temporary/seasonal positions provided that the City's recruitment, selection, hiring, and employment policy is followed and the employment is strictly temporary/seasonal.
- 7) Relationship During Employment. In the event two employees become close relatives by marriage or other committed relationship which results in them being placed in a direct supervisory relationship, one of the employees may, upon his or her request, be transferred to a vacant position in another division or department, if any exists, for which the employee is qualified. If no such position is then available, the employees may remain in their respective positions for up to 6 months after which one of the employees will be separated from employment with the City through voluntary resignation or discharge. If neither employee submits a voluntary resignation prior to this deadline, then the employee with less seniority will be discharged from employment.

3.4 EMPLOYMENT PHYSICAL EXAMINATIONS

Prior to beginning employment, all new regular full-time and regular part-time employees shall be required to have a physical examination to include drug testing by the city-designated physician, to determine the applicant's fitness to perform the duties of the job for which application is made. A report of the examination must be submitted to the Human Resource Department and be treated as confidential medical records. Cost of the examination shall be borne by the city.

The offer of employment shall be made contingent upon successful completion of the physical examination including drug test. The physician conducting the exam shall be provided with a description of the duties and responsibilities and other pertinent information about the position.

3.5 EVALUATION/PROBATIONARY PERIOD

It is the policy of the City of Owatonna that employees serve an evaluation period for the

purpose of assessing employees' abilities, skills, and interest. The evaluation period serves as an extension of the screening process. Effective January 1, 2020 employees hired, or rehired regular employees and all employees promoted or transferred to a vacant position shall serve a twelve (12) month evaluation period. After the first performance evaluation, the probation period may be extended an additional six months.

During the first year, performance evaluations with the employee will be conducted to communicate work goals.

Initial Performance Evaluations

A performance appraisal shall be completed by the department director for each employee prior to the completion of the evaluation period. An employee who receives a satisfactory performance evaluation shall be deemed to have successfully completed the evaluation period and will be given certified employee status.

A newly hired or rehired evaluation employee who has not demonstrated the necessary ability, skills, and interest to perform adequately the duties of the position may be terminated from employment. A promoted or transferred evaluation employee who has not demonstrated the necessary ability, skills, and interest to perform adequately the duties of the position may be reinstated to a position in the classification from which the employee was promoted or transferred.

The City may terminate a probationary employee anytime during the probationary period. Proposed dismissals of probationary employees must be approved by the City Administrator before they may be acted upon. The employee so terminated shall be notified in writing of the reasons for the termination and shall not have the right to appeal unless he or she is a veteran, in which case the procedure prescribed in Minnesota Statute 197.45 shall be followed. An employee who has completed the probationary period and who has not received, before the completion of that period, a written notice from the department director that his or her services are terminated shall be considered to have successfully completed the probationary period and attained the status of a regular employee. Once the final decision is made on the continuation of a probationary employee, the employee shall be credited with seniority dating from the first day of continuous employment with the city. The Finance Department shall maintain a seniority list, and when all other considerations are equal, the principle of seniority shall apply in layoffs and recall from layoff.

Compensation

The rate of pay during the evaluation period will be determined by the classification and compensation plan. The city looks at the relationship of positions covered by bargaining agreements for consistency with comparable worth and the city's adopted compensation plan as of January 1, 2016.

The City may hire individuals for positions at a rate higher than Step A, based upon market considerations, qualifications, and other appropriate factors.

CHAPTER 4: SEPARATION FROM SERVICE

4.1 LAYOFF

The City of Owatonna may find it necessary to lay off employees due to budgetary and workflow circumstances. In such an event, the city will generally make decisions on the basis of business needs related to service demands, employee job functions, and/or employee performance. An employee's recall rights shall be terminated one year after the date of their layoff.

4.2 EMPLOYEE SEPARATIONS

Employees wishing to leave the city service in good standing must provide a written resignation notice to their supervisor, at least ten business days before leaving. Exempt employees must give thirty calendar days' notice. Any exceptions to this policy must be pre-approved by the City Administrator. The written resignation must state the effective date of the employee's resignation.

Unauthorized absences from work for a period of three consecutive workdays may be considered as resignation without proper notice. Failure to comply with this procedure may be cause for denying the employee's severance pay and any future employment with the city.

Insurance

Separated eligible employees will receive a letter, Election Notice, and Continuation/Wavier of Coverage Application forms notifying the employee of their eligibility for Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) continuation coverage and/or Minnesota Continuation coverage through the city. The letter will inform the separated employee and qualified beneficiaries of their rights and will include a list of insurance coverages for which the employee is eligible to continue and the current premiums that apply. Notification will be mailed at least fourteen (14) days prior to expiration of coverage.

Payroll

The final paycheck of a terminating employee will be issued on the normal payday. When an employee has been dismissed from city service and requests immediate receipt of the final paycheck, the check must be made available to the employee within twenty-four (24) hours.

Sick Leave

Sick leave will be paid out at 50% for employees who separate from employment in good standing and who, on the date of separation, either (1) meet all the requirements to receive a retirement or disability benefit under a state or federal plan; or (2) have ten (10) or more years of continuous service with the City. Sick leave shall be paid to the Health Care Savings Plan in accordance with section 6.11.

In the event of the death of an employee, fifty percent (50%) of any accrued sick leave will be paid to the employee's estate.

Employees who separate from employment due to involuntary termination or do not meet the criteria established above shall not be paid and forfeit all right to accumulated and unused sick leave upon separation.

Vacation/Compensatory Time

A terminated employee shall be paid for accrued vacation only if the employee has completed the first year of employment and voluntarily terminates with proper notice or retires. Funds will be deposited to the Health Care Savings Plan as outlined in Chapter 7.7.

In the event of the death of an employee, accrued vacation will be paid to the employee's estate.

Terminal vacation pay reflects payment to which an employee is entitled; it does not extend the employee's effective date of termination beyond the last workday.

PTO

Upon termination of employment with the City of Owatonna, PTO will be paid at the employee's hourly wage rate times 100 percent of balance up to the applicable max accrual as outlined in the PTO policy. The PTO payout will be deposited into the Health Care Savings Plan as outlined in that policy.

Termination pay cannot be used to extend the employee's date of termination beyond the last scheduled workday unless approved by the City Administrator.

Floating Holiday

Employees who terminate before using their floating holiday will not be compensated for the unused floating holiday

CHAPTER 5: WORK HOURS

5.1 ATTENDANCE AND PUNCTUALITY

It is the policy of the City of Owatonna that full-time employees be regularly scheduled to work at least forty (40) hours per week or as per union contract. A work week shall be measured from Sunday through the following Saturday.

Attendance and punctuality are important to the City of Owatonna. Every employee is expected to work when scheduled and to arrive on time.

Assignment of scheduled working hours shall be made by the employee's department director or supervisor. Employees are to be present at work during all regularly scheduled hours, unless arrangements in accordance with the leave policies have been made.

Unexcused absence and tardiness shall be subject to disciplinary action up to and including dismissal.

Employees must always notify their supervisor if they anticipate being late to work.

5.2 HOURS OF WORK

Because of the necessity of providing municipal services twenty-four (24) hours per day, seven (7) days per week, employees are required to work a regular schedule of hours as established by the city. A regular schedule may include shift rotations, changing schedules due to unusual circumstance, and emergency work schedules based on public necessity as determined by the city.

The workweek for administrative personnel and those not on a shift schedule or under union contract will normally consist of five (5) consecutive eight (8) hour days, unless otherwise scheduled by the employee's department director.

Exempt employees are required to work the number of hours necessary to complete the work assigned to the position. Some positions may work a more varied schedule. While the work schedules of exempt employees are flexible and variable, the majority of time spent at work by exempt employees is to be during the regularly scheduled hours of work for the department/division in which they are assigned.

Department directors may set flexible work schedules for employees in order to meet specific organizational needs, such as seasonal work requirements or extension of business hours.

5.3 BREAKS

Rest Periods

An employee shall receive a fifteen (15) minute rest period for each four (4) hour period of continuous work. Rest periods are part of the paid work shift. An employee shall not be compensated in additional money or time off for refusing to take a scheduled rest period. Rest periods shall be scheduled by the department director or supervisor. An employee shall be at the assigned work area at the beginning and end of the rest period.

Lunch Periods

All lunch periods are unpaid and in addition to the regularly scheduled work hours.

Length of one-half (½) hour versus one (1) hour is in accordance with the customs and needs of the individual departments. Please refer to the appropriate bargaining unit contract in determining lunch, breaks, and quitting times.

Transportation to and from Rest/Lunch Periods

City vehicles shall not be used for transportation from a specific job site or location to another site or location for the purpose of taking a rest period or lunch period, unless authorized by the department director. Time in transit shall be included in the time allotted for rest or lunch periods.

5.4 BREAKS FOR NURSING MOTHERS AND LACTATING EMPLOYEES

Employees may take reasonable break time each day to express milk. The City will not reduce an employee's pay for breaks taken under this policy, but such breaks may run concurrently with regularly scheduled breaks when possible. The City will make reasonable efforts to provide nursing employees with a room or other location in close proximity to the work area, other than a bathroom or toilet stall, that is shielded for view and free from intrusion from coworkers and the public and that includes access to an electrical outlet so the employee can express milk in privacy.

Discharge, retaliation, penalizing, interfering with, restraining, or coercing against employees who take breaks under this policy is strictly prohibited.

5.5 REMOTE WORK

Purpose

The City of Owatonna is committed to providing excellent customer service for our residents, as well as attracting and retaining critical employee talent, increasing productivity and efficiency and saving on workspace and costs. A remote work policy provides these benefits to the city and is hereby adopted according to the guidelines below.

This policy governs the practice of working remotely from locations other than a city facility, including an employee's home on a regular (not intermittent/situational) basis. Remote work should not adversely affect other operational needs of the City. Remote work is a privilege not an entitlement, right, or property interest, and it may be approved, modified, or terminated at the sole discretion of the City at any time.

General Guidelines

Remote work as defined for this policy includes:

- Working all scheduled hours off-site, or
- Working some scheduled hours off-site and some on city premises.

Regardless of location, a remote worker remains responsible for all job duties, responsibilities and obligations associated with their position, even if such duties require the employee to come into a city facility while performing work remotely. Employees and supervisors should seek to find solutions to maximize benefit to the city and to the employee.

All City employees who meet the eligibility criteria will be considered for remote work on a case-by-case basis, where creative work arrangements have been shown to accomplish both work and personal goals, and meet the criteria and guidelines set forth below. Remote schedules may need to change to accommodate the needs of the city or when employee job duties change.

When making the decision to approve remote work, supervisors and the City Administrator will consider the following guidelines:

- The remote work arrangement must be set in advance and approved by the supervisor and the City Administrator.
- Remote work requires the same focus on job duties as if the employee were in the office; constant interruptions from household members, pets or other distractions may disqualify an employee from remote work.
- There must be adequate department coverage during all standard hours.
- There must be no adverse impact on internal or external customers.
- There must be no known safety issues associated with working remotely.
- There must not be any known security issues with technology or otherwise, in order to protect nonpublic government data.
- Employees working under a Performance Improvement Plan are not eligible for remote work.
- Internal and external customers must be given direction on whom to contact in the employee's absence if the employee is not available during all business hours.
- The regular schedule must not result in additional overtime for the employee or co-workers.
- The employee will receive no more than eight hours of holiday pay for each city holiday.
- The employee will not be allowed to work outside the United States.
- The employee will not be allowed to work outside the State of Minnesota unless pre-approved by the City Administrator.
- The supervisor or City Administrator may end the remote work arrangement at any time, with at least two weeks' notice to the employee, unless circumstances require shortened or no notice.

Remote work arrangements may vary depending on the position and department. Supervisors are responsible for determining the work schedules within their departments, subject to the approval of the City Administrator. Because the primary focus is serving the needs of the customers, it is important to realize remote work arrangements may not be possible for some positions.

Employees and supervisors should also consider various types of scheduling options for efficiency and productivity, including:

- Entire weeks in the office or working remotely
- Certain days in the office; remaining days working remotely

- Whether to have entire teams of employees in the office on the same day each week or at the beginning of each month

It's also important for the supervisor to consider perceptions of fairness among team members. For example, allowing one employee to work remotely every Friday may be perceived as unfair by other members of the team.

A remote work agreement is available on the HR SharePoint site. It is to be completed and signed by the supervisor, Department Director, City Administrator and the employee prior to beginning the remote work.

Eligibility for Flexibility in the Place of Work

Individuals requesting remote work arrangements must be employed with the City for a minimum of three months of continuous, regular employment and be successfully performing their job duties, as determined with supervisor input; unless otherwise authorized by department head, Human Resources, and City Administrator. The three-month waiting period allows time for acclimation to city operations and time to meet and build relationships with staff.

There may be additional considerations when an employee requests remote work as a reasonable accommodation and the city will consider those requests on a case-by-case basis.

Supervision and Performance Evaluation

For employees who are working remotely at least half of their schedule, supervisors must hold regular meetings to discuss work progress and issues for the first three months. These meetings can be conducted by phone, virtual computer technology or in person. Evaluation of remote worker performance beyond the initial three months will be consistent with that received by employees working at the office.

If work performance declines or becomes unsatisfactory, the remote work arrangement may be terminated at the discretion of the city.

Work Hours, Calendars and Meetings

The employee and supervisor will agree on the number of days of remote work that will be allowed each week, the work schedule the employee will customarily maintain, and the manner and frequency of communication. The employee agrees to be accessible by phone, virtual computer software or email within a reasonable time period during the agreed upon work schedule. Depending on the employee's position and the needs of the City, the work schedule may include core hours during which the employee must be available or the schedule can include greater flexibility for the employee to work outside the city's normal business hours.

Remote workers who are not exempt from the overtime requirements of the Fair Labor Standards Act (FLSA) will be required to record all hours worked in a manner designated by the City. Such employees will be held to a higher standard of compliance than office-based employees due to the nature of the work arrangement. Hours worked in excess of 40 hours per week, will require advance approval of the supervisor. Failure to comply with this requirement may result in termination of the remote work arrangement.

Remote workers who are exempt from the overtime requirements of the FLSA must follow the City's normal payroll and timekeeping policies and are generally accountable for their normal work week hours (e.g., for most full time employees that will be at least 40 hours/week).

All remote workers must use available paid leave balances (e.g., PTO, sick, vacation or comp time) as needed to cover periods of time off, following the city's normal paid leave policies.

Remote workers are responsible for keeping their electronic calendars up to date and accessible to anyone in the city for all scheduled work hours. Appointments for doctor or other private appointments can be marked as "private" or "personal time out of office." Employees should include travel time as needed to help others schedule meetings.

Travel to and from a City office for the purposes of meetings or other work requirements are not considered eligible for compensation and mileage will not be reimbursed.

Remote workers must attend all required meetings, including those which normally would be held on a remote workday, and are also responsible for obtaining information from optional meetings when such meetings impact their work with the city. Supervisors are responsible for setting expectations for their work teams regarding whether meeting attendance will be in-person, remote or a combination, considering these guidelines:

- Meetings of a sensitive, highly interactive, or complex nature are best held entirely in-person (e.g., brainstorming, troubleshooting, project "kick-off" meetings, performance reviews, disciplinary meetings).
- Allowing some workers to attend remotely and others to attend in-person could result in perceptions of unfairness or in some employees missing out on key information (such as when the in-person staff continue to discuss the topic after remote workers log off). Supervisors need to be prepared to address these issues.
- In-person business meetings with others cannot be held at an employee's home.

Work Environment and Technology

For employees working remotely on a routine basis, the employee must establish an appropriate work environment to avoid problems associated with safety or poor ergonomics. The City will not be responsible for costs associated with initial setup of the employee's remote office such as remodeling, furniture, lighting, repairs, or modifications to the office space. Employees will be offered appropriate guidance in setting up a workstation designed for safe, comfortable work.

The City will provide employees with appropriate technology (e.g., computer, monitor(s), docking station, mouse, keyboard, headset) for one location, either on-site at City office or off-site. Employees who work in a hybrid remote work situation (both at the office and at home) are responsible for providing the required technology to work remotely. This includes a reliable internet connection. Remote workers must return all city-owned equipment, software, documents, and data upon termination of the remote work arrangement or at termination of employment.

The City will supply the employee with the appropriate office supplies (pens, paper, etc.) for their assigned job responsibilities. The organization will also reimburse the employee for all appropriate business-related expenses such as phone calls, shipping costs, etc. reasonably incurred in accordance

with job responsibilities; however, the employee may be required to come into the office in order to perform some duties such as mailing, scanning and photocopying.

The City will not provide reserved office space for remote workers who remote entirely from home but need to come into the office on an occasional basis.

City Employment Policy and Benefits Coverage

The City's normal policies and procedures (for example, computer use, data practices, respectful workplace, etc.) apply to employees working remotely. Employees should ask their supervisors if they have any questions about whether or how a particular city policy applies to a remote work environment.

An employee working remotely is generally covered by the City's Workers' Compensation insurance while acting in the course and scope of employment and must report any injury to their supervisor as soon as possible.

CHAPTER 6: COMPENSATION

6.1 PAYROLL

It is the policy of the City of Owatonna to compensate employees for service on a bi-weekly basis. Pay periods shall be two (2) week periods, extending from Sunday through the second Saturday.

Paychecks

Per Minnesota Statute §471.426, all paychecks shall be direct deposited on the payroll date. The employee's paycheck shall reflect compensation for regular hours and overtime worked, holiday pay, vacation pay, sick leave pay, and compensation for other paid leaves of absence. Paychecks shall be direct-deposited on the Friday following the end of the pay period. When a payday occurs on a holiday or weekend, paychecks will be direct-deposited on the preceding workday. In the event of mechanical failure preventing distribution of pay amounts on the designated date, funds will be deposited to employees' accounts at the earliest possible date.

Reporting and Record Keeping

The department director shall submit a completed payroll timesheet to the Finance Department no later than 3:00 p.m. Monday following the end of each pay period.

Department directors shall also submit to the Finance Department information regarding new hires, terminations, changes in salary, job classification, department, shift, and number of regularly scheduled hours. (revised 4/05/16)

Employees are responsible for accurately reporting all regular hours and overtime worked, and all holiday, vacation, sick, or other leave hours for which they are eligible to include PTO hours. Employees reporting false information will be subject to disciplinary action up to and including dismissal.

6.2 OVERTIME

The City of Owatonna recognizes that in order to maintain basic services under unusual circumstances, emergencies, and peak workloads, employees may be required to work overtime.

Eligibility – Exempt vs. Nonexempt Employee Status

It is the policy of the City of Owatonna, consistent with M.S. 177.21 to 177.35, to compensate employees who are "nonexempt" from the provisions of the Minnesota Fair Labor Standards Act (FLSA) for time worked in excess of forty (40) hours in a regular work week. Only nonexempt (N) employees are allowed to accrue overtime pay or compensatory time-off. It is at the discretion of the department director to allow compensatory time rather than overtime pay. The nonexempt employee shall be paid one and one-half (1½) times the employee's regular hourly salary for each overtime hour or, if it is agreeable to the employee and convenient to the department, arrangements may be made to allow compensatory time at one and one-half (1½) times the hours worked overtime. Nonexempt employees are those employees who do not meet the criteria for "exempt" status defined in M.S. 177.21. Nonexempt employees are eligible for the provisions of the overtime policy.

Exempt employees (E) are not eligible to receive overtime pay or compensatory time- off. Exempt positions may utilize flextime with department director approval, but not necessarily at a rate of one (1) to one (1). Exempt employees are expected to meet the requirements of the position, which may at times involve working less than and more than forty (40) hours per week. Exempt employees are those in positions that are determined to meet one of the following criteria established by the Fair Labor Standards Act:

- 1) Executive
- 2) Administrative
- 3) Professional
- 4) Computer-related occupations.

For exempt employees, there is no payment to be made for accrued flextime either annually, at separation of employment, or retirement. Efforts will be made on a department- by-department basis to accommodate exempt employees who by the nature of the position or workload are required to work an extraordinary amount of time outside of a normal work schedule. Please refer to the job descriptions for exempt and nonexempt positions.

6.3 CALCULATION AND COMPENSATION OF OVERTIME

For each hour worked in excess of forty (40) in a regular workweek (Sunday through Saturday), a nonexempt employee shall receive one and one-half (1½) hours of pay or compensatory time off. Compensatory time, if allowed shall be scheduled by department directors. If compensatory time cannot be scheduled, the employee shall be paid one and one-half (1½) times the employee's regular hourly salary for each overtime hour. Overtime pay shall be reflected on the paycheck for the pay period in which it was earned. Vacation, sick leave, used compensatory time, holidays, jury duty, other paid time off, paid leaves of absence, unpaid leaves of absence, rest periods, and lunch periods (if scheduled and not taken), and time spent in contract negotiations shall not count toward the calculation of overtime. Overtime will not be approved to complete work prior to taking time off or to make up work following paid time off.

All overtime must be recorded on an employee's compensatory timesheet. Both compensatory time accrued and compensatory time used must be recorded on the timesheet.

No more than eighty (80) hours of compensatory time may be accumulated at any time, unless authorization has been received by the department director or unique circumstances exist. All overtime worked after the employee reaches the compensatory time cap will be paid out monetarily.

6.4 ASSIGNMENT AND AUTHORIZATION OF OVERTIME

Department directors shall be responsible for assigning overtime. Employees shall be credited with hours worked past their normal shift only if authorization is obtained prior to working the overtime. Department directors must obtain City Administrator approval prior to scheduling overtime that will result in monetary payment that exceeds the department's budget. In the event of a demonstrated emergency, overtime which will result in monetary payment may be scheduled prior to obtaining City Administrator approval.

6.5 WAGE DISCLOSURE

Under the Minnesota Wage Disclosure Protection Law, employees have the right to tell any person the amount of their own wages. While the Minnesota Government Data Practices Act (Minn. Stat. §13.43), specifically lists an employee's actual gross salary and salary range as public personnel data, Minnesota law also requires wage disclosure protection rights and remedies to be included in employer personnel handbooks. To that end, and in accordance with Minn. Stat. §181.172, employers may not:

- Require nondisclosure by an employee of his or her wages as a condition of employment.
- Require an employee to sign a waiver or other document which purports to deny an employee the right to disclose the employee's wages.
- Take any adverse employment action against an employee for disclosing the employee's own wages or discussing another employee's wages which have been disclosed voluntarily.
- Retaliate, discharge, discipline, penalize, interfere with, threaten, restrain, coerce, or otherwise discriminate against an employee for asserting rights or remedies under Minnesota Statute 181.172 and this Wage Disclosure Protection policy.

Although employees have these rights under Minnesota law, employees are not obligated to discuss their wages with any other person or business. All other policies and agreements restricting employees from disclosing the City's Confidential Information to third parties are in effect and not limited by this law.

Employees may file a complaint with the Minnesota Department of Labor and Industry and/or bring a civil action against an Employer for any violations of this policy. If a court finds that an Employer has violated this policy, the court may order reinstatement, back pay, restoration of lost service credit, if appropriate, and the expungement of any related adverse records of an employee who was the subject of the violation.

6.6 FITNESS AND WELLNESS PAYROLL DEDUCTIONS

The City of Owatonna recognizes the importance of being physically fit and encourages all employees and their dependents to participate in fitness and wellness activities.

The City will allow employees to pay for city programs through payroll deductions with the minimum deduction of \$10.00 being withheld from each paycheck until the fee is paid. All fees must be paid in full during the calendar year.

The following activities or programs will qualify:

- Tennis & Pickleball memberships
- Golf memberships
- Other programs with administrative approval.

6.7 GIFTS AND GRATUITIES

No city employee shall accept a gift, directly or indirectly, from any interested party. A gift may be accepted if it:

- 1) Is a contribution as defined by Minnesota Statute 211A.01. Subd. 5, "Contribution" means anything of monetary value that is given or loaned to a candidate or committee for a

political purpose.” Contribution does include a service provided without compensation by an individual

- 2) Involves services to assist an employee in performance of official duties, including, but not limited to providing advice, consultation, information, and communication in connection with legislation and services to constituents
- 3) Involves services of insignificant monetary value
- 4) Is a plaque or similar memento recognizing individual services in a field of specialty or to a charitable cause
- 5) Is a trinket or memento of insignificant value
- 6) Is informational material of unexceptional value
- 7) Is food or beverage given at a reception, meal, or meeting away from the recipient’s place of work by an organization before whom the recipient appears to make a speech or answer questions as part of a program
- 8) Is because of the recipient’s membership in a group, a majority of whose members are not local officials and an equivalent gift is given to other members of the group.
- 9) Is given by an interested person who is a member of the family of the recipient, unless the gift is given on behalf of someone who is not a member of that family.
- 10) Is an item or event provided by the City of Owatonna’s Wellness Committee.

6.8 EMPLOYEE RECOGNITION

Retirement / Recognition Events

The City Council of the City of Owatonna adopted on January 17, 2006, Resolution No. 5- 06, "A Resolution Authorizing Expenditures for Employee Recognition Events and Related Activities." This resolution determines that recognition of employees' accomplishments and years of service to the community promotes employee job satisfaction, motivation, and long- term retention of employees, which all create a more productive work force to serve better the interest of the citizens of the City of Owatonna.

Expenditures for sponsorship of an annual employee recognition meal, program, and compensation in recognition of employees' years of service, an annual employees' summer picnic and other related matters, all as part of and as additional compensation for employees' work constitute expenditures for a public purpose as authorized by law under Section 1.4 of the City Charter of the City of Owatonna and Minnesota Statute § 412.11.

The amount of such expenditure shall be determined annually as part of the city's budgeting process. Expenditure of funds for:

- an annual employee recognition meal, program, and compensation in recognition of employees' years of service;
- employee awards that highlight and acknowledge teams and employees who exemplify the purpose statement and core values;
- an annual employee summer picnic; and
- retirement reception; and
- expenses for other incidental and related activities are authorized as additional compensation for city employees.

The amount of such annual expenditures shall be determined by the City Council and provided for in the annual city budget.

Service Awards

Employees will be given service awards in recognition for their years of service with the City of Owatonna. Service awards will be given in five (5) year increments and upon retirement.

6.9 EMPLOYEE PERFORMANCE

City employees are essential to providing services to the public. To provide high quality, efficient and cost-effective services, the performance of employees is crucial. Therefore, the City is committed to a performance management system

for its employees that communicates performance expectations for job duties and responsibilities, workplace standards and goals and objectives; identifies an employee's strengths and areas for improvement in meeting these expectations; and fosters an employee's job development. To meet this commitment, the City promotes the following:

1. Ongoing feedback to and candid discussions with employees and about performance throughout the year;
2. Developing and rewarding good performance;
3. Formal personnel actions as necessary to address performance problems through coaching, counseling, performance improvement plans and/or progressive discipline; and
4. An annual performance evaluation that addresses prior and future performance of the employee.

An objective performance review system has been established by the City for the purpose of periodically evaluating the performance of City employees. The quality of an employee's past performance will be considered in personnel decisions such as promotions, transfers, demotions, terminations and, where applicable, salary adjustments.

Performance reviews will be discussed with the employee. While certain components of a performance evaluation, such as disputed facts reported to be incomplete or inaccurate are challengeable using the city's grievance process, other performance evaluation data, including subjective assessments, are not. For those parts of the performance evaluation system deemed not challengeable, an employee may submit a written response, which will be attached to the performance review. Performance reviews are to be scheduled on a regular basis, preferably at least annually. The form, with all required signatures, will be retained as part of the employee's personnel file.

During the training period, informal performance meetings should occur frequently between the supervisor and the employee. Conducting these informal performance meetings provides both the supervisor and the employee the opportunity to discuss what is expected, what is going well and not so well.

Job-related performance competencies appraised for both exempt and non-exempt personnel may include communication factor, interpersonal factor, leadership, strategic management, judgment, job knowledge, and self-management. Goals and personal development may also be discussed.

Signing of the performance review document by the employee acknowledges the review has been discussed with the supervisor and does not necessarily constitute agreement. Failure to sign the document by the employee will not delay processing.

CHAPTER 7: BENEFITS

7.1 HEALTH INSURANCE

It is the policy of the City of Owatonna to make available to employees single or dependent health insurance coverage. As a reminder, this complete manual applies to all employees except those cases where a union contract has a differing provision.

Eligibility

All current regular full-time and regular part-time employees working a minimum of 30 hours per week during the prior year measurement period, as defined by applicable rules of the Patient Protection and Affordable Care Act (PPACA), may participate in the City's medical insurance plan.

Coverage/City Contribution

Any change to the city's health insurance plan shall be discussed with the Employee Health Insurance Advisory Committee and subject to approval of the City Council. (eff. 3/1/09)

Complete details of the health insurance coverage can be obtained from the Human Resource Department.

Insurance Availability/Dates of Coverage

Coverage for eligible employees becomes effective on the first of the month following a waiting period of thirty (30) days from the first workday. Examples:

- 1) If an employee's first workday is January 24, insurance coverage begins on March 1.
- 2) If an employee's first workday is January 1, insurance coverage begins on February 1.
- 3) If an employee's first workday is February 1, insurance coverage begins on April 1.

Coverage remains effective as long as an eligible employee is in pay status. Coverage for an employee not maintaining pay status shall be effective through the last day of the calendar month in which the employee is in pay status. A terminating employee may continue coverage as provided by law.

Adding/Changing/Dropping Insurance Coverage

Employees electing to add/change/drop health insurance coverage for themselves or any dependents will be unable to add/change/drop coverage through the City until the next open enrollment period unless a life event occurs as defined by HIPAA and the Department of Labor.

Health Insurance Incentive

The City of Owatonna will provide an incentive payment of \$220 per month for eligible employees hired prior to 01/01/16 who do not take city health insurance. In order to qualify for the incentive payment, Employees will be required to

demonstrate proof upon request attesting that they will be continuously covered by a non-city group insurance plan for each of the 12 months of the City's policy year. This policy applies regardless of any changes to the non-city plan that may occur as a result of life event changes as defined by HIPAA and the Department of Labor.

Open Enrollment for the plan year beginning January 1, 2020 will be the last opportunity eligible employees will have to elect the Health Insurance Incentive benefit. No new participants will be allowed to elect this incentive on or after January 1, 2020. Employees actively participating in the Health Insurance Incentive will be permitted to continue their participation per the eligibility parameters above.

7.2 LIFE INSURANCE

Regular full-time city employees are entitled to Life insurance coverage in the amount of \$25,000. Complete details regarding the life insurance coverage can be obtained from the Human Resources Department.

Coverage for eligible employees becomes effective the 1st of the next month from the first workday. Coverage remains effective as long as an eligible employee is in pay status. Coverage for an employee not maintaining pay status shall be effective through the last day of the calendar month in which the employee is in pay status.

7.3 LONG TERM DISABILITY INSURANCE

Regular full-time employees having completed six (6) months of employment are entitled to elect the City's long term disability insurance.

The plan provides long term disability income with a 90-day elimination period. Coverage includes 50% of regular earnings up to a max of \$6,666.67 per month. Complete details regarding the long-term disability benefit can be obtained from the Human Resources Department.

7.4 EMPLOYEE ASSISTANCE PLAN

The City of Owatonna provides an Employee Assistance Plan. This service provides free, confidential, professional assistance to help employees and their families resolve problems such as marital difficulties, financial or legal problems, emotional difficulties, or problems caused by alcohol or other drug use, that affect their personal lives or job performance. Contact information for the EAP provider can be found on the City's Intranet.

7.5 SUPPLEMENTAL BENEFIT PROGRAMS

Additional Life Insurance

All full-time and regular part-time employees may elect to purchase extra life

insurance (a group decreasing term life insurance policy) available through PERA (NCPERS Group Life Insurance) at a lower group cost. Premiums are paid by employees through a payroll deduction. If not elected during the first thirty (30) days from the date of hire, the employee will have to wait until the open enrollment period to sign up.

Every member, regardless of age, pays the same premium. Your premium does not increase with your age. The plan pays a maximum benefit amount in your younger years and a gradually decreasing benefit amount in your older years. Complete details can be obtained from Human Resources.

Minnesota Benefit Association

As a current or retired public employee, elected official, or family member of either, you are automatically a member of the Minnesota Benefit Association (MBA), and you are not required to pay any dues or membership fees. MBA offers the following benefits: scholarships, voluntary supplemental insurance (life, cancer, Medicare supplements, dental, and long-term care), auto and homeowners' insurance, Visa/MasterCard program, and mortgage services. Many of the above premiums can be paid by a payroll deduction. Eligibility depends upon the person's individual characteristics and the terms of the plan. For more information, visit the MBA website at <http://www.minnesotabenefitassociation.org/>, call toll free at 1.800.360.6117, or email at info@MinnesotaBenefitAssociation.org.

Vision Insurance

All full-time employees may elect to purchase vision insurance. The vision plan provides coverage for contact lenses, frames, and a variety of lens options. Discounts on additional pairs of glasses, sunglasses, Lasik, and hearing care are also included. Premiums are paid by employees through a payroll deduction. If not elected during the first thirty (30) days from the date of hire, the employee will have the opportunity to enroll at open enrollment or with a qualifying life event.

Complete plan details and enrollment information can be obtained from the Human Resources Department.

Dental Insurance

Dental insurance is offered to employees at no cost to the city. The Human Resource Department can provide a summary of dental benefits or answer any questions.

Flexible Spending Accounts (FSA)

Flexible Spending Accounts (FSA) are an optional benefit for all eligible city employees. There are two types of Flexible Spending Accounts: Healthcare and Dependent Care.

Medical Flexible Spending Account Plan:

The Medical Flexible Spending Account Plan allows employees to set aside pretax dollars for eligible medical expenses (e.g. medical, dental, and vision expenses) for themselves, their spouse, or their dependents that they expect to incur during the plan year. After paying these expenses, the employee is reimbursed from their account. The benefit of a medical flexible spending account is that the employee does not pay income or social security taxes on this money.

Each year during open enrollment, employees elect to deposit a specified amount within the IRS limit into the employee's medical spending account for the year. Employee's election amount is deducted from their pay pre tax in equal amounts throughout the year. After employees receive eligible medical expenses, they submit a claim form and supporting receipts to the carrier. Once approved, the amount of the claim is deducted from their account and reimbursed to them. Only certain health care expenses may be reimbursed through medical flexible spending account. Changes to elections during the year may only be made following a life qualifying event.

Dependent Care Flexible Spending Account Plan:

The Dependent Care Flexible Account Plan allows employees to set aside pretax dollars for dependent care services they expect to receive during the plan year. It covers daycare expenses not only for the employee's dependent children under age 13, but also for anyone considered the employee's dependent for income tax purposes, such as a disabled parent. Eligible dependent care expenses must be for services that allow the employee and, if applicable, the employee's spouse to work, including any period when they are not actively at work, including any periods of disability or unpaid leave. Each year during open enrollment, employees may elect to deposit from \$100 to the annual max set by the IRS (or less, if subject to additional limitations) into their dependent care spending account for the year. If an employee's spouse also participates in a dependent care spending account, the tax-free benefit is limited to the IRS max for both employee and spouse combined. An employee's election amount is deducted from their pay pretax in equal amounts throughout the year. Once they pay eligible daycare expenses, they must submit a claim form and receipts to the carrier to be reimbursed.

Deferred Compensation

All full-time and regular part-time employees may elect to participate in a Section 457 Deferred Compensation Plan. This is a defined contribution retirement savings

plan that permits public employees to contribute to a special savings account without paying income taxes on those savings or associated earnings until they are withdrawn at retirement. The two deferred compensation programs available are the Minnesota State Deferred Compensation Plan (MNDCP) or Mission Square Retirement.

For more information on MNDCP, visit their website at www.msrs.state.mn.us, email inquiries to info@msrs.us, or call toll free 1.800.657.5757.

For more information on Mission Square visit their website at www.icmarc.org, or call toll free 1.800.669.7400.

Contribution Level

The employee may defer a minimum of \$10 per month, up to a maximum established annually by federal statutes. Contact Human Resources to learn the maximum contributions for each year.

Signup Information

Employees may sign up or make changes at any time. Contact Human Resource for signup information.

7.6 RETIREMENT

Insurance

Minnesota Statute 471.61, subdivision 2b formerly known as Chapter 488, allows eligible retirees and their dependents the opportunity to continue purchasing the city's hospital, medical, and dental insurance indefinitely. Retirees are eligible for this benefit if they: (1) are receiving a disability benefit or annuity from Public Employee Retirement Association (PERA) or other Minnesota public pension plan, or (2) are eligible by age and years of service to receive an annuity from PERA or another Minnesota public pension plan.

Former employees who elect continuation coverage for their life insurance shall be notified by the City of their option to convert to an individual policy after the 18-month continuation period. Retired employees who are vested in PERA, SERA, TRA, MERF, or any other public employees' pension plan established by Minnesota law may elect to continue fifty percent (50%) of the amount of the basic life insurance elected under Minnesota Continuation upon the completion of the 18-month continuation period following retirement.

Retired and COBRA participants will pay 100% of the premium for all continuation coverage elected.

Public Employee Retirement Association (PERA)

City employee retirement annuities are governed by PERA. Employees should refer to their respective plan for information regarding accrual and refund

provisions. If employees have any questions regarding PERA, they may contact a PERA representative at (800) 652- 9026.

Sick Leave

Separation from service due to retirement, physical disability, or death shall entitle the employee or their estate to payment of fifty percent (50%) of the employee's accumulated sick leave.

Upon retirement with immediate PERA benefit eligibility, fifty percent (50%) of accrued sick leave will be paid into the Health Care Savings Plan as outlined in Chapter 7.7.

Vacation/Compensatory Time

A terminated employee shall be paid for accrued vacation only if the employee has completed the first year of employment and voluntarily terminates with proper notice or retires. Funds will be deposited into the Health Care Savings Plan as outlined in Chapter 7.7.

PTO

Upon termination of employment with the City of Owatonna, PTO will be paid at the employee's hourly wage rate times 100 percent of balance up to the applicable max accrual as outlined in Chapter 8.2 and 7.7

7.7 HEALTH CARE SAVINGS PLAN

The City of Owatonna participates in the Minnesota Post Employment Health Care Savings Plan (HCSP) established under Minnesota Statutes, section 352.98 (Minn. Supp. 2001) and as outlined in the Minnesota State Retirement System's Trust and Plan Documents. All funds collected by the employer on behalf of the employee will be deposited into the employee's post-employment health care savings plan account.

Employee Contributions

For employees who separate from employment in good standing and who, on the date of separation, either (1) meet all the requirements to receive a retirement or disability benefit under a state or federal plan; or (2) have ten (10) or more years of continuous service with the City, any accumulated and eligible unused sick, vacation or PTO leave upon termination shall be paid through a contribution to the Minnesota Health Care Savings Plan as follows:

NON-UNION EXECUTIVE LEVEL EXEMPT

100% of eligible sick leave 100% of eligible vacation 100% of eligible PTO

NON-UNION PROFESSIONAL TECHNICAL EXEMPT

100% of eligible sick leave 100% of eligible PTO 100% of eligible vacation

NON-UNION NON-EXEMPT
100% of eligible sick leave 100% of eligible PTO 100% of eligible vacation

CHAPTER 8: WORKPLACE LEAVES

8.1 HOLIDAYS

It is the policy of the City of Owatonna to provide non-contract employees with certain paid holidays. Employees must be in pay status the last regular shift prior to the holiday and the first regular shift following the holiday. All full-time employees of the city, except those governed by a union contract or different holiday policy, shall receive the following designated official paid holidays:

Holiday	Date
New Year's Day	January 1st
Martin Luther King, Jr. Day	Third Monday in January
President's Day	Third Monday in February
Memorial Day	Last Monday in May
Juneteenth	June 19th
Independence Day	July 4th
Labor Day	First Monday in September
Veteran's Day	November 11th
Thanksgiving Day	Fourth Thursday in Nov
Day before Christmas	December
Christmas Day	December 25th
One (1) Floating Holiday	Once annually by Dec 31st

Reasonable Time off to attend church services on Good Friday at the discretion of the department director when it will not interfere with departmental activities.

Regular part-time employees who are regularly scheduled to work at least 20 hours receive prorated holidays. Changes in this schedule must first be authorized by the City Council.

When a holiday falls on a Saturday, the previous Friday will be designated as the official holiday. When a holiday falls on a Sunday, the following Monday will be designated as the official holiday. Official holidays commence at the beginning of the first shift of the holiday and continue for twenty-four (24) hours.

Compensation and Calculation of Holiday Pay

When a regular, nonexempt employee is scheduled to work an official holiday, the employee shall be paid time and one-half for the hours worked.

When an exempt employee is scheduled to work an official holiday, the employee shall be paid time and one-half time for the hours worked.

When an official holiday falls during a scheduled vacation, the day shall be

considered a holiday. The day will be added to a regular employee's vacation period.

When a regular employee is sick on an official holiday, the time shall be considered a holiday. When an official holiday falls during a leave of absence, the day shall be considered a holiday for regular employees.

Floating Holiday

Employees who terminate before using their floating holiday will not be compensated for the unused floating holiday.

8.2 PAID TIME OFF (PTO)

The City of Owatonna strives to provide equity, consistency, and flexibility in the delivery of benefit alternatives to city employees. Where appropriate, certain benefits have also been designed to incorporate employee tenure to recognize and regard long-term service to the city.

While traditional paid vacation, sick leave, medical appointments, and funeral leave have been in place for many years, those programs are very structured, with extensive rules being applied to the actual use of the benefit. With sick leave in particular, these rules often inject the employer into employee's lives and require supervisors to make highly subjective judgments. Utilization of sick leave also varies greatly within the employee population and therefore is difficult to achieve equity across the work force with this particular benefit.

The Paid Time Off (PTO) Plan replaces city policies on vacation, sick leave, medical appointments, and funeral leave and combines these benefits into a single plan. All eligible employees accrue PTO based on tenure. Plan provisions discourage unnecessary utilization by providing conversion and savings incentives.

With the adoption of this plan, the City of Owatonna firmly accepts and endorses the principles of equity, consistency, flexibility, and the recognition of tenure in the delivery of this benefit.

Eligibility

All regular full-time City of Owatonna employees who are eligible for benefits and all eligible part-time employees are eligible to participate in the PTO program.

Participation

All City of Owatonna employees hired after January 1, 2016 who are not covered by a collective bargaining agreement shall be enrolled in the PTO program. Employees hired prior to January 1, 2016 may elect to stay on the old plan or convert to the PTO plan. Conversion election shall take place once a year. Once

converted to the PTO plan, an employee may not return to the old plan.

Employee groups covered by collective bargaining agreements must negotiate participation in the PTO program through the collective bargaining process.

Policy

The PTO Plan covers all paid leave previously available under the City's vacation, sick leave, medical appointment, and funeral leave policies.

PTO can be utilized for any purpose, subject only to necessary request/approval procedures consistent with the City of Owatonna Policies and Procedures Manual and labor contracts.

Accrual Rates

Effective January 1, 2006, PTO will accrue at the following rates for full-time employees:

Years of Service	Annual Accrual Rate (Hours)
1	144
2	152
3	160
4	168
5	176
6-9	184
10	192
11	200
12	208
13	216
14	224

Years of Service	Annual Accrual Rate (Hours)
15	228
16	232
17	236
18	240
19	244
20	248
21	252
22	256
23	260
24+	264

Eligible part-time employees who work at least 20 hours per week on a regular basis will accrue paid time off (PTO) on a prorated basis of the full-time employee schedule. Part-time employees who work less than 20 hours per week on a regular basis, temporary and seasonal employees will not earn or accrue paid time off.

Use of PTO

- PTO is accrued on a per pay period basis and may be used subsequent to the pay period in which it was earned.
- The first eight pay period PTO accruals in the first year of eligible service will be front loaded and made available to the employee at the onset of their PTO eligible position. Per pay period accruals will begin on the ninth pay period thereafter. During an unpaid leave of absence, PTO is not accrued.
- Non-scheduled use must be requested prior to the beginning of a shift or per departmental practices. Non-scheduled PTO requests may be denied depending on staffing needs.
- Good attendance is an essential job function for all employees. If unplanned absences are excessive, a doctor's certification may be required. The physician's certification is to state the nature and direction of the illness or injury and verify that the employee is unable to perform the duties and responsibilities of their position. A statement attesting to the employee's ability to return to work and perform the essential functions of the job and a description of any work restrictions may also be required before the employee returns to work.
- Probationary employees may use PTO as it is earned.
- Maximum PTO accrual is 720 hours. Hours earned in excess of the stated maximum PTO accrual shall be utilized during the benefit year. Maximums will be enforced on the employees' anniversary date.
- Eligible part-time employees will accrue on a pro-rated bases, based on hours worked. Part-time employees can earn a max of PTO up to their FTE hire rate for the year (example: 0.7 FTE employee may earn a maximum of 504 hours).
- PTO may be used subsequent to the pay period in which it was earned in increments of not less than one hour.
- All employees with two or more years of service shall be required to take a minimum of 80 hours (pro-rated on regular hours of work during the benefit year) of their earned PTO each accrual year based on anniversary date (providing the hours are available - example: required to use 80 hours, only used 68 hours – employee would lose 12 hours). The City Administrator may grant exceptions to this rule based upon extenuating circumstances in a written request. It is the employee's responsibility to monitor these hours.
- Employee's receiving Worker's Compensation benefits may use accrued PTO hours to return to 100% of their net salary.
- Employees may use accrued leave during a medical or parenting leave while the employee has FMLA eligibility remaining, this leave will also count as FMLA leave. The two leaves will run concurrently. A medical leave of absence without FMLA eligibility may be granted only if an employee has exhausted all accumulated leave balances as outlined in the workplace leaves section.
- A personal leave of absence may be granted only if an employee has exhausted all available vacation or PTO as outlined in the workplace leaves section.

Termination Benefits

Upon termination of employment with the City of Owatonna, PTO will be paid at the employee's hourly wage rate x 100% of balance up to the applicable max accrual as outlined above on their last paycheck. For those who meet the eligibility criteria detailed in policy Chapter 7.7 the PTO payout will be deposited into the Health Care Savings Plan.

In the event an employee separates from employment in their first year of a PTO eligible position, the cash out of unused PTO will be prorated based on the pay period in which they separate from employment.

Severance benefits will be paid to employees with Sick Leave Banks in accordance with provisions in the appropriate bargaining agreements or the City of Owatonna Policy Manual.

PTO cannot be used to extend the employee's date of termination beyond the last scheduled workday unless approved by the City Administrator.

Existing Vacation/Sick Leave Balances

Existing vacation and sick leave balances shall be converted to the PTO program in the following manner:

- Unused vacation balances shall be converted to PTO accounts of participating employees.
- Sick leave hours will be converted to the Sick Leave Bank.

Sick Leave Bank

Total unused sick leave hours will be frozen and shall become the Sick Leave Bank. These hours may be used according to sick leave state law.

In the event of each illness, injury, or disability, time off may be taken from the Sick Leave Bank or the PTO account, at the employee's choice.

Employees receiving Worker's Compensation benefits may use the Sick Leave Bank to return to 100% of their current salary.

Upon termination, any remaining balance in the Sick leave Bank will be paid out at 50% of the remaining hours

Donating Leave

The intent of this section is to allow for the transfer of accrued paid time off (PTO) from one employee to the paid time off or vacation account of another employee who has a need for additional paid leave because he/she has exhausted all paid leave and has a serious medical hardship. The donation of accumulated PTO can

be done only on a one-for-one basis. The employee requesting donated leave shall submit a written application to the City Administrator describing the medical hardship. The hardship must impact the employee, employee's spouse, employee's children, or the employee's parents. The medical hardship must be supported by a physician's statement to be eligible for consideration. (eff 10/20/15)

The City Administrator reserves the right to determine eligibility for leave transfer on a case- by-case basis. Exercise of the leave donation policy shall not establish precedent or practice and shall not be subject to the grievance procedure.

Terms and Conditions:

- a) Donations may be from accrued vacation or paid time off and will be credited to the recipient's leave account. Donated leave will be subject to policies that govern the leave, whichever policy (PTO or vacation) is appropriate. Donated Leave Authorization Form is available from the Human Resources Department.
- b) The recipient must first use all accrued leave including sick, vacation, PTO, and compensatory time before being eligible to receive donated leave.
- c) Employees receiving workers' compensation, disability, or other similar benefits are not eligible to receive donated leave.
- d) Any donation of leave must be at least four hours and not more than sixteen (16) hours per year from any one donor to any one employee.
- e) The donated leave will be transferred at the donor's pay rate and used at the recipient's pay rate.
- f) Donations may be made retroactively, but no more than sixty days retroactively.
- g) Names of donors and recipients will not be revealed unless the donors and recipients choose to do so in writing.
- h) Donated paid time off will count towards the required minimum time off per year.
- i) Employee is only eligible to receive donated leave for normal work hours lost due to the hardship
- j) All full-time employees and permanent part-time employees working at least 20 hours or more per week will be allowed to receive up to 525 hours of donated leave annually.
- k) Employees receiving donated leave must use the donated leave within 90 days or those hours will be forfeited
- l) Donated hours do not qualify for cash payout upon termination.

Part-Time PTO

Part-time employees are not required to utilize any PTO hours in their first two (2) years of service. After 2 years of service but less than 10 years of service, they are required to take a minimum of 40 hours of their earned PTO each accrual year (providing the hours are available). After 10 years of service, they are required to

utilize a minimum of 80 hours during the year. The City Administrator may grant exceptions to this rule based upon extenuating circumstances in a written request.

All other non-conflicting sections in the PTO Policy shall apply to part-time positions.

PLEASE NOTE: All City of Owatonna employees hired after 1/1/06 and not covered by a collective bargaining agreement shall be enrolled in the Paid Time Off (PTO) program instead of the following plans for vacation, sick leave, and funeral leave. The Paid Time Off (PTO) Plan replaces city policies on vacation, sick leave, medical appointments, and funeral leave and combines these benefits into a single plan. Employees hired prior to 1/1/06 may elect to stay on the following plan or convert to the new PTO plan. Conversion election shall take place once a year. Once converted to the PTO, an employee may not return to the old plan.

8.3 VACATION

It is the policy of the City of Owatonna to provide non-contract employees with paid vacation leave. An employee must be a regular full-time employee or eligible part-time employees who works 20 hours or more a week.

Participation

All City of Owatonna employees hired after January 1, 2006 and not covered by a collective bargaining agreement shall be enrolled in the Paid Time Off (PTO) program instead of this plan. Employees hired prior to January 1, 2006, may elect to stay on this plan or convert to the new PTO plan. Conversion election shall take place once a year. Once converted to the PTO, an employee may not return to the old plan.

Accrual

Vacation accrual begins on the employee's most recent hire date. Full time employees hired prior to January 1, 2006, and choosing to stay with the old plan shall accrue vacation on the following schedule:

Years of Service	Hours Earned Per Year	Hours Earned Per Month	8-Hour Days Per Year	Maximum Hours Accumulation
1	80	6.7	10.0	160
2	88	7.3	11.0	176
3	96	8.0	12.0	192
4	104	8.7	13.0	208
5	112	9.3	14.0	224

6	120	10.0	15.0	240
7	120	10.0	15.0	240
8	120	10.0	15.0	240
9	120	10.0	15.0	240
10	128	10.7	16.0	256
11	136	11.3	17.0	272
12	144	12.0	18.0	288
13	152	12.7	19.0	304
14	160	13.3	20.0	320
15	164	13.7	20.5	328
16	168	14.0	21.0	336
17	172	14.3	21.5	344
18	176	14.7	22.0	352
19	180	15.0	22.5	360
20	184	15.3	23.0	368
21	188	15.7	23.5	376
22	192	16.0	24.0	384
23	196	16.3	24.5	392
24	200	16.7	25.0	400
25+	200	16.7	25.0	400

Eligible part-time employees will accrual on a pro-rated basis, based on hours worked. Part-time employees can earn a max of vacation up to their FTE hire rate for the year.

If a temporary employee changes to regular status, accrual will commence on the date of change. If a regular employee changes to temporary status, accrual will discontinue upon the date of change.

During an unpaid leave of absence, vacation is not accrued. During paid leaves and during the probationary period, vacation is accrued at the normal rate.

Vacation accrual that exceeds the amount earned in the previous year and doubled shall be forfeited on each anniversary date. Examples:

1. April 1 is your hire date and you are eligible for 120 hours accrual per year.
If on April 1 you have 240 hours, you may keep all of your vacation.
2. With the same hire date and accrual eligibility as in example one above, if on April 1 you have 250 hours, you shall forfeit ten (10) hours of vacation.
The city shall provide notice semi-annually to employees regarding the vacation policy.
3. Employees may be allowed to exceed the accrual amount based upon workload needs of the department, projected retirement within three years, and approval of the City Administrator.

When an official holiday occurs during a scheduled vacation, the time shall be considered a holiday, and a day will be added to the employee's vacation period.

Availability

Accrued vacation becomes available upon completing six (6) months of continuous employment.

Scheduling Vacation Leave

Department directors are responsible for scheduling vacation leaves for employees under their supervision. Preference in scheduling shall be based on seniority. Consideration shall be given to seasonal demands and departmental staffing needs before granting any vacation leave requests. Vacation leaves will not be permitted to interrupt service to the community. The least amount of time that may be authorized for vacation is one (1) hour.

8.4 EARNED SICK AND SAFE LEAVE

"Earned Sick and Safe Leave" is paid time off for all part-time, temporary, and/or non-benefit earning employees working less than twenty (20) hours per week, performing work for at least eighty (80) hours in a year for the City. Sick and safe leave accrues at a rate of one (1) hour of leave time for every thirty (30) hours worked by an employee, up to a maximum of forty-eight (48) hours of sick and safe leave per year.

The City's Paid Time Off (PTO) and Vacation policies fully meet the requirements of Minnesota's Earned Sick and Safe Leave laws, as such, only employees not eligible for PTO or Vacation leave (including part-time, temporary, or other non-benefit earning employees) will be eligible for Earned Sick and Safe Leave under this policy.

The hourly rate of Earned Sick and Safe Leave is the same hourly rate an employee earns from employment with the City and is administered on a 12-month calendar year basis.

Earned Sick and Safe Leave Use

Leave under this policy may be used as it is accrued in the smallest increment of time tracked by the City's payroll system (15-minute increments) for the following circumstances:

An employee's own:

- 1 Mental or physical illness, injury or other health condition
- 2 Need for medical diagnosis, care or treatment, of a mental or physical

- illness injury or health condition
- 3 Need for preventative care
 - 4 Closure of the employee's place of business due to weather or other public emergency
 - 5 The employee's inability to work or telework because the employee is prohibited from working by the city due to health concerns related to the potential transmission of a communicable illness related to a public emergency, or seeking or awaiting the results of a diagnostic test for, or a medical diagnosis of, a communicable disease related to a public emergency and the employee has been exposed to a communicable disease or the city has requested a test or diagnosis.
 - 6 Absence due to domestic abuse, sexual assault, or stalking of the employee provided the absence is to:
 - Seek medical attention related to physical or psychological injury or disability caused by domestic abuse, sexual assault, or stalking
 - Obtain services from a victim services organization
 - Obtain psychological or other counseling
 - Seek relocation or take steps to secure an existing home due to domestic abuse, sexual assault or stalking
 - Seek legal advice or take legal action, including preparing for or participating in any civil or criminal legal proceeding related to or resulting from domestic abuse, sexual assault, or stalking

Care of a family member:

- 1 With mental or physical illness, injury or other health condition Who needs medical diagnosis, care or treatment of a mental or physical illness, injury or other health condition Who needs preventative medical or health care Whose school or place of care has been closed due to weather or other public emergency When it has been determined by health authority or a health care professional that the presence of the family member of the employee in the community would jeopardize the health of others because of the exposure of the family member of the employee to a communicable disease, whether or not the family member has actually contracted the communicable disease
- 2 Absence due to domestic abuse, sexual assault or stalking of the employee's family member provided the absence is to:
 - Seek medical attention related to physical or psychological injury or disability caused by domestic abuse, sexual assault, or stalking
 - Obtain services from a victim services organization
 - Obtain psychological or other counseling
 - Seek relocation or take steps to secure an existing home due to domestic abuse, sexual assault or stalking
 - Seek legal advice or take legal action, including preparing for or

participating in any civil or criminal legal proceeding related to or resulting from domestic abuse, sexual assault, or stalking

For Earned Sick and Safe Leave purposes, family member includes an employee's:

1. Spouse or registered domestic partner
2. Child, foster child, adult child, legal ward, child for whom the employee is legal guardian, or child to whom the employee stands or stood in loco parentis
3. Sibling, step sibling or foster sibling
4. Biological, adoptive or foster parent, stepparent or a person who stood in loco parentis when the employee was a minor child
5. Grandchild, foster grandchild or step grandchild
6. Grandparent or step grandparent
7. A child of a sibling of the employee
8. A sibling of the parent of the employee or
9. A child-in-law or sibling-in-law
10. Any of the above family members of a spouse or registered domestic partner
11. Any other individual related by blood or whose close association with the employee is the equivalent of a family relationship
12. Up to one individual annually designated by the employee

Advance Notice for Use of Earned Sick and Safe Leave

If the need for sick and safe leave is foreseeable, the City requires seven (7) days' advance notice. However, if the need is unforeseeable, employees must provide notice of the need for Earned Sick and Safe time as soon as practicable.

When an employee uses Earned Sick and Safe time for more than three (3) consecutive days, the City may require appropriate supporting documentation (such as medical documentation supporting medical leave, court records or related documentation to support safety leave). However, if the employee or employee's family member did not receive services from a health care professional, or if documentation cannot be obtained from a health care professional in a reasonable time or without added expense, then reasonable documentation may include a written statement from the employee indicating that the employee is using, or used, Earned Sick and Safe Leave for a qualifying purpose. The City will not require an employee to disclose details related to domestic abuse, sexual assault, or stalking or the details of the employee's or the employee's family member's medical condition. In accordance with state law, the City will not require an employee using Earned Sick and Safe leave to find a replacement worker to cover the hours the employee will be absent.

Carry Over of Earned Sick and Safe Leave

Employees are eligible for carry over accrued but unused Earned Sick and Safe

time into the following year, but the total of Earned Sick and Safe Leave carry over hours shall not exceed eighty (80) hours.

Unused accrued Earned Sick and Safe Leave has no cash value and will not be paid out at the end of the year or upon separation from employment with the City.

Return to Work

An employee returning from time off using accrued Earned Sick and Safe Leave is entitled to return to their city employment at the same rate of pay received when their leave began, plus any automatic pay adjustments that may have occurred during the employee's time off. Seniority during Earned Sick and Safe Leave absences will continue to accrue as if the employee has been continually employed.

When there is a separation from employment with the City and the employee is rehired again within 180 days of separation, previously accrued Earned Sick and Safe Leave that had not been used will be reinstated. An employee is entitled to use and accrue Earned Sick and Safe Leave at the commencement of reemployment.

Retaliation Prohibited

The City shall not terminate, discipline, penalize, interfere with, or otherwise retaliate or discriminate against an employee for asserting Earned Sick and Safe Leave rights, requesting an Earned Sick and Safe Leave absence, or pursuing remedies. Further, use of Earned Sick and Safe Leave will not be factored into any attendance point system the City may use. Additionally, it is unlawful to report or threaten to report a person or a family member's immigration status for exercising a right under Earned Sick and Safe Leave.

Complaints

An employee alleging a violation of the Minnesota Earned Sick and Safe Time Law may file a complaint with the Minnesota Department of Human Rights or the Minnesota Department of Labor and Industry.

8.5 FUNERAL LEAVE

The City of Owatonna may grant non-contract employees a maximum of three (3) days leave of absence with pay to attend the funeral of the employee's spouse, parent, child, brother, sister, grandchild, mother-in-law, or father-in-law. Employees may be granted a maximum of one (1) day leave of absence with pay to attend the funeral of the employee's grandparent. The PTO Plan replaces city policies on vacation, sick leave, medical appointments, and funeral leave and

combines these benefits into a single plan.

8.6 PERSONAL LEAVE OF ABSENCE WITHOUT PAY

The City of Owatonna may grant non-contract employees a personal leave of absence without pay for personal matters of importance or necessity. To be eligible, an employee must be a certified, regular employee and have completed the probationary period for new employees.

Authorization

1. The employee shall submit a written request for a personal leave of absence indicating the reason and the projected date of return to work to the department director at the earliest possible date.
2. The department director shall be responsible for forwarding requests for personal leaves of absence to the City Administrator with recommendation.
 - a) A personal leave of absence shall be granted only if an employee has exhausted all available vacation or PTO.
 - b) The department director shall consider the importance or necessity of the request.
 - c) The department director shall consider the workload and staffing of the department prior to approving the request.
 - d) The department director shall consider the employee's length of employment and attendance record.
3. Authorized requests shall be filed in the employee's personnel file in the Human Resources Department.
4. Authorization for personal leaves of absence is tentative. The department director may contact the employee to return to work prior to the end of the authorized leave period. A reasonable amount of time shall be allowed for the employee to return to work.
5. Certified employees may take unpaid leave of up to a total of sixteen (16) hours during any school year to attend school conferences or classroom activities related to the employee's child, under eighteen (18) or under twenty (20) and still attending secondary school, if the conference or classroom activities cannot be scheduled during nonworking hours. The employee must provide reasonable prior notice of the leave and make a reasonable effort to schedule the leave so as not to disrupt unduly the operations of the employer.

Length of Leave

A personal leave of absence may be granted for a maximum of one (1) calendar year.

Effect on Benefits During a Leave of Absence Without Pay

Sick Leave, Vacation, and PTO shall not accrue. Holidays shall not be paid.

For employees on medical leave of absence without pay, which results from an injury incurred in the course of duty for the City of Owatonna, the city will continue to pay premiums for Hospital – Surgical – Major Medical insurances as though the employee were in pay status. For purposes of calculating termination benefits, longevity shall continue through the period of medical leave of absence without pay of employees injured in the course of duty.

Reinstatement and Termination During a Leave of Absence Without Pay

Prior to returning to work from a medical leave of absence, the employee shall provide a physician's statement that the employee is able to return to work. An employee returning to work within the authorized leave period may be reinstated to the original position or a position in the same classification.

An employee exceeding the authorized leave period without giving proper notice shall be dismissed.

An employee giving proper termination notice within the authorized leave period shall be eligible for terminal benefits.

8.7 MEDICAL LEAVE OF ABSENCE WITHOUT PAY

The City of Owatonna may grant a medical leave of absence without pay to non- contract employees. To be eligible, an employee must be a certified, regular employee.

Authorization

1. The employee shall submit a written request for a medical leave of absence to the department director at the earliest possible date.
2. The department director shall be responsible for reviewing requests for medical leaves of absence and shall forward a recommendation for final action to the City Administrator.
 - a) A medical leave of absence may be granted only if an employee has exhausted all accumulated leave balances.
 - b) The department director may require the employee to submit a physician's written statement citing that the employee is unable to work due to a personal physical or mental illness, injury, or treatment of a chemical dependency and the projected date of return to work.
 - c) At any time during the leave, the department director may request a physician's statement updating the employee's condition and projected date of return to work.

3. Authorized requests and all medical statements shall be filed in the employee's personnel file in the Finance Department.

Length of Leave

A medical leave of absence may be granted for a maximum of six (6) months.

Effect on Benefits During a Leave of Absence Without Pay

Sick Leave, Vacation and PTO shall not accrue. Holidays shall not be paid.

For employees on medical leave of absence without pay, which results from an injury incurred in the course of duty for the City of Owatonna, the city will continue to pay premiums for Hospital – Surgical – Major Medical insurances as though the employee were in pay status. For purposes of calculating termination benefits, longevity shall continue through the period of medical leave of absence without pay of employees injured in the course of duty.

Reinstatement and Termination During a Leave of Absence Without Pay

Prior to returning to work from a medical leave of absence, the employee shall provide a physician's statement that the employee is able to return to work. An employee returning to work within the authorized leave period may be reinstated to the original position or a position in the same classification.

An employee exceeding the authorized leave period without giving proper notice shall be dismissed.

An employee giving proper termination notice within the authorized leave period shall be eligible for terminal benefits.

8.8 FAMILY AND MEDICAL LEAVE ACT

Eligibility

To qualify to take FMLA leave under this policy, an employee must meet all the following conditions:

- Have worked for the City for 12 months (or 52 weeks) prior to the date the leave is to commence. The 12 months or 52 weeks need not have been consecutive; however, the City will not consider any service 7 years prior to the employee's most recent hire date.
- Have worked at least 1,250 hours during the 12-month period prior to the date when the leave is requested to commence. The principles established under the Fair Labor Standards Act ("FLSA") determine the number of hours worked by an employee. The 1250 hours include only on-the-clock hours worked and do not include leave, PTO, or vacation hours.

Types of Leave Covered by FMLA

Leave will be granted to all eligible employees for any of the following reasons:

- The birth of a child, including prenatal care, or placement of a child with the employee for adoption or foster care;
- To care for a spouse, child, or parent who has a serious health condition;
- Due to a serious health condition that makes the employee unable to perform the essential functions of the position
- A covered military member's active duty or call to duty or to care for a covered military member (Military Caregiver and Qualified Exigency Leave) (described below).

Definitions

- "Spouse" does not include domestic partners or common-law spouses.
- "Caring for" a covered family member includes psychological as well as physical care. It also includes acquiring care and sharing care duties. An eligible "child," with some exceptions, is under 18 years of age.
- An eligible "parent" includes a biological parent or a person who stood in the place of a parent.
- "Serious Health Condition" means an illness, injury, impairment, or physical or mental condition that involves one of the following:
 - Hospital Care: Any period of incapacity or treatment connected with inpatient care (i.e., an overnight stay) in a hospital, hospice, or residential medical care facility;
 - Pregnancy: Any period of incapacity due to pregnancy, prenatal medical care or child birth;
 - Absence Plus Treatment: A period of incapacity of more than three consecutive calendar days that also involves continuing treatment by or under the supervision of a health care provider.
 - Chronic Conditions Requiring Treatments: An incapacity from a chronic condition which requires periodic visits for treatment by a health care provider, continues over an extended period of time, and may cause episodic rather than a continuing period of incapacity;
 - Permanent/Long-Term Conditions Requiring Supervision
 - Multiple Treatments: Any period of absence to receive multiple treatments (including any period of recovery therefrom) by a health care provider or by a provider of health care services under orders of, or on referral by, a health care provider.

Length and Amount of Leave

The length of FMLA leave is not to exceed twelve (12) weeks in any twelve (12) month period. The leave year is calculated based on a Looking forward basis.

The entitlement to FMLA leave for the birth or placement of a child for adoption expires twelve (12) months after the birth or placement of that child.

How Leave May Be Taken

FMLA leave may be taken for 12 (or less) consecutive weeks, may be used intermittently (a day periodically when needed), or may be used to reduce the workweek or workday, resulting in a reduced hour schedule. In all cases, the leave may not exceed a total of 12 workweeks.

Intermittent leave may be taken when medically necessary for the employee's serious health condition or to care for a seriously ill family member. Intermittent leave must be documented in the medical certification form as medically necessary.

If an employee is taking intermittent leave or leave on a reduced schedule for planned medical treatment, the employee must make a reasonable effort to schedule the treatment so as to not disrupt the City's business.

In instances when intermittent or reduced schedule leave for the employee or employee's family member is foreseeable or is for planned medical treatment, including recovery from a serious health condition, the City may temporarily transfer an employee to an available alternative position with equivalent pay and benefits if the alternative position would better accommodate the intermittent or reduced schedule.

Intermittent/reduced scheduled leave may be taken to care for a newborn or newly placed adopted or foster care child only with the City's approval.

Procedure For Requesting Leave And Notice

All employees requesting FMLA leave must provide written or verbal notice of the need for the leave to Human Resources.

When the need for the leave is foreseeable, the employee must give verbal or written notice to their supervisor at least thirty (30) days prior to the date on which leave is to begin.

If thirty (30) days' notice cannot be given, the employee is required to give as much notice as practicable, including following required call-in procedures. If an employee fails to give thirty (30) days' notice for a foreseeable leave with no reasonable explanation for the delay, the leave may be denied until thirty (30) days after the employee provides notice.

The City requires an employee on FMLA leave to report periodically on the employee's status and intent to return to work.

Certification And Documentation Requirements

For leave due to an employee's serious health condition or that of an employee's family member, the City will require the completion of a Medical Certification form by the attending physician or practitioner. The form must be submitted by the employee to the Human Resource Director within fifteen (15) calendar days after leave is requested. If the form is not submitted in a timely fashion, the employee must provide a reasonable explanation for the delay. Failure to provide medical certification may result in a denial or delay of the leave.

When leave is due to an employee's own serious health condition, a fitness for duty certification (FFD) will be required before an employee can return to work. Failure to timely provide such certification may eliminate or delay an employee's right to reinstatement under the FMLA.

If an employee is using intermittent leave and reasonable safety concerns exist regarding the employee's ability to perform his or her duties, a FFD certificate may be required as frequently as every 30 days during periods when the employee has used intermittent leave.

Recertification of leave may be required if the employee requests an extension of the original length approved by the City or if the circumstances regarding the leave have changed. Recertification may also be required if there is a question as to the validity of the certification or if the employee is unable to return to work due to the serious health condition.

Second and Third Medical Opinions

Optional Long version: The City may require an employee obtain a second opinion from a provider which the City selects. If necessary, to resolve a conflict between the original certification and the second opinion, the City may require the opinion of a third doctor. This third opinion will be considered final. An employee will be provisionally entitled to leave and benefits under the FMLA pending the second and/or third opinion.

Annual Medical Certification and Recertification

Where the employee's need for leave due to the employee's own serious health condition lasts beyond a single leave year, the City will require employees to provide a new medical certification in each subsequent leave year.

Such new medical certifications are subject to the provisions for authentication and clarification and second and third opinions.

Reinstatement

Employees returning from Family and Medical Leave will be reinstated in the same position or a position equivalent in pay, benefits, and other terms and conditions of employment.

Group Health Insurance and Other Benefits, Concurrent Leave and Substitution of Paid Leave

An employee granted leave under this policy will continue to be covered under the City's group health and dental insurance plan under the same conditions and at the same level of City contribution as would have been provided had the employee been continuously employed during the leave period. The employee will be required to continue payment of the employee portion of group insurance coverage while on leave. Arrangements for payment of the employee's portion of premiums must be made by the employee with the City.

If there are changes in the City's contribution levels while the employee is on leave, those changes will take place as if the employee were still on the job.

Rights to additional continued benefits will depend on whether leave is paid or unpaid.

Any sick leave, vacation, Paid Time Off (PTO) or compensatory time off available to employees for a covered reason (an employee's serious health condition or a covered family member's serious health condition, including worker's compensation leave and Minnesota State Parenting Leave) will run concurrently with FMLA.

Failure To Return To Work After FMLA

Under certain circumstances, if the employee does not return to work at the end of the FMLA leave for at least 30 calendar days, the City may require the employee to repay the portion of the monthly cost paid by the City for group health plan benefits. The City may also require the employee to repay any amounts the City paid on the employee's behalf to maintain benefits other than group health plan benefits.

If an employee does not return to work following 12 weeks of FMLA leave, the employee may be subject to COBRA continuation.

If the employee fails to pay the City a portion of the premiums for which he or she is responsible during the FMLA leave and the employee fails to return to work, coverage may end. Loss of coverage for failure to pay premiums is not a qualifying event for purposes of continuation coverage under COBRA.

If the employee does not return from the FMLA leave and coverage ended sometime during the FMLA leave due to lack of payment, there is no COBRA election available. For COBRA to apply, the employee must have been covered on the day before the qualifying event. In this situation, the qualifying event would occur at the time the employee did not return from the leave.

While on leave, an employee may not engage in activities (including employment) which have the same or similar requirements and essential functions of an employee's current position.

While on leave, an employee may not engage in any activity that conflicts with the best interests of the City. Such conduct will result in disciplinary action up to and including termination of employment.

FMLA – Qualified Exigency and Military Caregiver Leave

Qualified Exigency

Eligible employees (described above) whose spouse, son, daughter, or parent either has been notified of an impending call or order to covered active military duty or who is already on covered active duty may take up to 12 weeks of leave for reasons related to or affected by the family member's call-up or service.

The qualifying exigency must be one of the following: (1) short-notice deployment; (2) military events and activities; (3) childcare and school activities; (3) financial and legal arrangements; (5) counseling; (6) rest and recuperation; (7) post-deployment activities; (8) parental care; or (9) additional activities that arise out of active duty, provided that the employer and employee agree, including agreement on timing and duration of the leave.

Military Caregiver Leave

An employee eligible for FMLA leave (described above) who is the spouse, son, daughter, parent, or next of kin of a covered service member may take up to 26 weeks in a single 12- month period to care for that service member. The family member must be a current member of the Armed Forces (including a member of the National Guard or Reserves), who has a serious injury or illness incurred in the line of duty on active duty for which he or she is undergoing medical treatment, recuperation, or therapy, or otherwise is on outpatient status or on the temporary disability retired list. Eligible employees may not take leave under this provision to care for former members of the Armed Forces, former members of the National Guard and Reserves, or members on the permanent disability retired list.

Definitions

- A "son or daughter of a covered service member" means the covered service member's biological, adopted, or foster child, stepchild, legal ward, or a child

for whom the covered service member stood in loco parentis, and who is of any age.

- A “parent of a covered service member” means a covered service member’s biological, adoptive, step, or foster father or mother, or any other individual who stood in loco parentis to the covered service member. This term does not include parents “in law.
- The “next of kin of a covered service member” is the nearest blood relative, other than the covered service member’s spouse, parent, son, or daughter, in the following order of priority: blood relatives who have been granted legal custody of the service member by court decree or statutory provisions, brothers and sisters, grandparents, aunts and uncles, and first cousins, unless the covered service member has specifically designated in writing another blood relative as his or her nearest blood relative for purposes of military caregiver leave under the FMLA. When no such designation is made, and there are multiple family members with the same level of relationship to the covered service member, all such family members shall be considered the covered service member’s next of kin and may take FMLA leave to provide care to the covered service member, either consecutively or simultaneously. When such designation has been made, the designated individual shall be deemed to be the covered service member’s only next of kin.
- “Covered active duty” means:
 - “Covered active duty” for members of a regular component of the Armed Forces means duty during deployment of the member with the Armed Forces to a foreign country
 - “Covered active duty” for members of the reserve components of the Armed Forces (members of the U.S. National Guard and Reserves) means duty during deployment of the member with the Armed Forces to a foreign country under a call or order to active duty in a contingency operation as defined in section 101(a)(13)(B) of Title 10 of the United States Code.
- “Covered service member” means:
 - An Armed Forces member (including the National Guard or Reserves) undergoing medical treatment, recuperation, or therapy or otherwise in outpatient status or on the temporary disability retired list, for a serious injury or illness”; or
 - A veteran who is undergoing medical treatment, recuperation, or therapy, for a serious injury or illness and who was a member of the Armed Forces (including a member of the National Guard or Reserves) at any time during the period of 5 years preceding the date on which the veteran undergoes that medical treatment, recuperation, or therapy
 - “Serious injury or illness” means:
 - In the case of a member of the Armed Forces (including a member of the National Guard or Reserves), means an injury or illness that was incurred by the member in line of duty on active

duty in the Armed Forces (or existed before the beginning of the member's active duty and was aggravated by service in line of duty on active duty in the Armed Forces) and that may render the member medically unfit to perform the duties of the member's office, grade, rank, or rating; and

- In the case of a veteran who was a member of the Armed Forces (including a member of the National Guard or Reserves) at any time during a period when the person was a covered service member, means a qualifying (as defined by the Secretary of Labor) injury or illness incurred by a covered service member in the line of duty on active duty that may render the service member medically unfit to perform the duties of his or her office, grade, rank or rating.

Amount of Leave – Qualified Exigency

An eligible employee can take up to 12 weeks of leave for a qualified exigency.

Amount of Leave – Military Caregiver

An eligible employee taking military caregiver leave is entitled to 26 workweeks of leave during a "single 12-month period." The "single 12-month period" begins on the first day the eligible employee takes FMLA leave to care for a covered service member and ends 12 months after that date.

Leave taken for any FMLA reason counts towards the 26-week entitlement. If an employee does not take all 26 workweeks of leave to care for a covered service member during this "single 12-month period," the remaining part of the 26 workweeks of leave entitlement to care for the covered service member is forfeited. 29 C.F.R. § 825.127(e)(1) (2017).

Certification of Qualifying Exigency for Military Family Leave

The City will require certification of the qualifying exigency for military family leave. The

employee must respond to such a request within 15 days of the request or provide a reasonable explanation for the delay. Failure to provide certification may result in a denial of continuation of leave. This certification will be provided using the DOL Certification of Qualifying Exigency for Military Family Leave.

Certification for Serious Injury or Illness of Covered Service Member for Military Family Leave

The City will require certification for the serious injury or illness of the covered service member. The employee must respond to such a request within 15 days of the request or provide a reasonable explanation for the delay. Failure to provide certification may result in a denial of continuation of leave. This certification will be provided using the DOL Certification for Serious Injury or

Illness of Covered Service member.

All other provisions of the FMLA policy, including Use of Paid Leave, Employee Status and Benefits during Leave, Procedure for Requesting Leave, and Benefits during Leave and Reinstatement, are outlined above in the FMLA policy.

8.9 PARENTAL LEAVE

Employees are eligible for twelve (12) weeks of unpaid parental leave in connection with the pregnancy, birth, or adoption of the employee's child and for pregnancy-related needs pursuant to the Minnesota state pregnancy and parenting laws. Parental leave must be taken within 12 months of the birth or adoption and must run concurrently or simultaneously with leave under the City's FMLA policy but depending on the circumstances there may be additional leave available to the employee.

The leave shall begin at a time requested, and may be used for an employee who is:

- 1) A biological or adoptive parent in conjunction with the birth or adoption of a child; or
- 2) A female employee for prenatal care, or incapacity due to pregnancy, childbirth, or related health conditions.
- b) The length of the leave shall be determined by the employee, but must not exceed 12 weeks, unless agreed to in writing prior.

Prior Notification

If leave is foreseeable, the employee must notify the City at least thirty (30) days prior to the first day of the Parental Leave. If thirty (30) days' notice is not provided in a foreseeable leave situation, and there is no reasonable excuse for the delay, the City reserves the right to deny the leave until at least thirty (30) days after the employee provides notice. In unexpected or unforeseeable situations, employees must provide notice the City within two (2) business days of learning of the need to take Parental Leave or as soon as practicable.

Unpaid Nature of Leave

Parental Leave is not paid. If the employee has accrued leave time, the employee may substitute the accrued paid leave time for unpaid Parental Leave. Substitution of paid leave or benefits shall not extend Parental Leave beyond the twelve (12) week limit. Parental Leave runs concurrently with an employee's entitlement to FMLA leave, if any. (Under the FMLA, eligible employees may be entitled to parental leave for up to twelve (12) weeks.)

Continuation of Health Coverage and Benefits

The City will continue to make coverage available to an employee on Parental Leave under any existing group insurance policy, group subscriber contract, or health care plan for the employee and any dependents. Unless the Parental Leave also qualifies as FMLA leave (in which case the procedures for continuing benefits during FMLA leave shall apply), the employee shall be responsible for paying the employee portion of the premium, which shall be deducted from any pay received by the employee during Parental Leave. If the employee does not receive compensation from the City during Parental Leave, the employee shall pay the premium to the City on or before the time it would be made if by payroll deduction. Failure to make required premium payments on a timely basis may result in termination of coverage. An employee who chooses not to retain group health coverage while on Parental Leave will be entitled upon return from leave to be reinstated on the same terms as prior to taking the Parental Leave.

Reinstatement

Upon return from parental leave (unless the leave also qualifies as FMLA, in which case the protections afforded by the FMLA shall apply), employees are entitled to employment in their former position or one with comparable duties, hours, benefits, seniority, and pay as they had prior to taking the leave. Retaliation for requesting leave under this policy is strictly prohibited.

Adoptive Parents

Adoptive parents will be given the same opportunities for leave as biological parents (see provisions for Parenting Leave). The leave must be for the purpose of arranging the child's placement or caring for the child after placement. Such leave must begin before or at the time of the child's placement in the adoptive home.

8.10 LEAVE FOR VOTING

Employees eligible to vote are encouraged to do so during non-working hours. Employees shall be allowed time off to vote during the day of an election.

Time off to vote shall mean adequate time with respect to an individual employee's particular situation. However, time off is limited by statute to the morning hours (7:00 a.m. to 12:00 p.m.). Supervisors and employees shall determine what constitutes reasonable time off and attempt to schedule employees so as not to disrupt the regular work schedule of that day.

Employees are encouraged to vote in the morning before arriving at work without penalty or deduction from salary or wages because of absence for any reasonable time between the scheduled start of the workday and the arrival of the employee. Supervisors will not directly or indirectly refuse, abridge, or interfere with an employee's right to time off to vote or any other election rights

of an employee.

8.11 JURY DUTY

Regular full-time and part-time employees will be granted paid leaves of absence for required jury duty for up to 10 days in any calendar year. Such employees will be required to turn over any compensation they receive for jury duty, minus mileage reimbursement, to the City in order to receive their regular wages for the period. Regular full-time and part-time employees on required jury duty in excess of 10 days in a calendar year may take a leave without pay or use accumulated paid leave time for such time. Time spent on jury duty will not be counted as time worked in computing overtime.

Employees excused or released from jury duty during their regular working hours will report to their regular work duties as soon as reasonably possible or will take accrued vacation or compensatory time to make up the difference.

Employees are required to notify their supervisor as soon as possible after receiving notice to report for jury duty. The employee will be responsible for ensuring that a report of time spent on jury duty and pay form is completed by the Clerk of Court so the City will be able to determine the amount of compensation due for the period involved.

Temporary and seasonal employees are generally not eligible for compensation for absences due to jury duty but can take a leave without pay subject to department head approval. However, if a temporary or seasonal employee is classified as exempt, he/she will receive compensation for the jury duty time.

8.12 COURT APPEARANCES

Employees will be paid their regular wage to testify in court for City-related business. Any compensation received for court appearances (e.g. subpoena fees) arising out of or in connection with City employment, minus mileage reimbursement, must be turned over to the City.

8.13 VICTIM OR WITNESS LEAVE

An employer must allow a victim or witness, who is subpoenaed or requested by the prosecutor to attend court for the purpose of giving testimony or is the spouse or immediate family member (immediate family member includes parent, spouse, child or sibling of the employee) of such victim, reasonable time off from work to attend criminal proceedings related to the victim's case. [See Safety Leave under the Sick Leave Policy for additional information on leave benefits available to employees and certain family members.]

8.14 LEAVE TO SERVE AS AN ELECTION JUDGE

An employee who is selected to serve as an election judge pursuant to section 204B.21, subdivision 2 may, after giving their department director at least 20 days' written notice, be absent from a place of work for the purpose of serving as an election judge without penalty. The city may reduce the salary or wages of an employee serving as an election judge by the amount paid to the election judge by the appointing authority during the time the employee was absent from the place of employment.

The written request to be absent from work must be accompanied by a certification from the City stating the hourly compensation to be paid the employee for service as an election judge and the hours during which the employee will serve. The city may restrict the number of persons to be absent from work for the purpose of serving as an election judge to no more than 20 percent of the total work force at any single worksite. (Minnesota Statute 204B.195 Time off from Work to Serve as Election Judge)

Employees may elect to take a vacation day to serve as an election judge.

8.15 CIVIL AIR PATROL

An employee receive a leave of absence without pay for time spent rendering service as a member of the civil air patrol on the request and under the authority of the state or any of its political subdivisions, unless the leave would unduly disrupt the operations of the employer.

8.16 SCHOOL CONFERENCES & ACTIVITIES LEAVE

Any employee who has worked half-time or more may take unpaid leave for up to a total of sixteen (16) hours during any 12-month period to attend school conferences or classroom activities related to the employee's child (under 18 or under 20 and still attending secondary school), provided the conference or classroom activities cannot be scheduled during non-work hours. When the leave cannot be scheduled during non-work hours and the need for the leave is foreseeable, the employee must provide reasonable prior notice of the leave and make a reasonable effort to schedule the leave so as not to disrupt unduly the operations of the city. Employees may choose to use vacation leave hours for this absence but are not required to do so.

8.17 DOMESTIC ABUSE OR HARASSMENT ORDER LEAVE

An employee may take reasonable time off from work to obtain or attempt to obtain relief under the Domestic Abuse Act, Minn. Stat. § 518B.01 (2014), as amended or a restraining order under Minn. Stat. § 609.748 (2014), as amended.

Except in cases of imminent danger to the health or safety of the employee or the employee's child, or unless impracticable, an employee who is absent from the workplace shall give 48 hours' advance notice to the employer. Upon request of the employer, the employee shall provide verification that supports the employee's reason for being absent from the workplace. All information related to the employee's leave shall be kept confidential by the employer.

8.18 MILITARY LEAVE

The City of Owatonna, in accordance with the Uniformed Services Employment and Re-employment Rights Act (USERRA) and Minnesota Statutes 192.26-192.261, provides for military leave for employees who are called to military service (whether in the reserves or full-time service), the right to preserve benefits, and the right to reinstatement.

Eligibility

Under USERRA, reemployment rights extend to any persons who have been absent from a position of employment because of "service in the uniformed services." The law provides an exemption from employer reemployment obligations under USERRA if the employee's pre-service position of employment "is for a brief, nonrecurrent period and there is no reasonable expectation that such employment will continue indefinitely or for a significant period." See 38 U.S.C. § 4312 (d)(1)(C); 20 CFR 1002.42.

Providing Notice

An employee (or an officer from their command) must give the city advance notice (written or verbal) of upcoming military service of any type. The employee must provide notice to the supervisor at least five (5) working days after receipt of their orders and no less than twenty-four (24) hours prior to date of leave. When orders are received at a time that would make compliance with this provision impossible, the supervisor must be given notice as soon as possible.

Employee Benefits

Employees on military leave are entitled to the same level of benefits as the employer provides other employees on other leaves. If employees on other leaves continue to accrue vacation or are provided continued health insurance benefits, then so too are employees on military leave.

Vacation

Employees returning from military leave are entitled to any accrued vacation at the time of leaving for military service and are entitled to begin accruing vacation upon return from their military service at the rate the employee would have attained had the employee not gone on service leave.

Paid/Unpaid Leave

During unpaid leave, an employee has the option to use accrued vacation, PTO hours, or compensatory time during the period of military service.

Insurance Coverage

Per USERRA, employees and their dependents typically receive health insurance through the military during periods of service. USERRA requires continuation of health insurance benefits (at the employee's expense) for up to 24 months while on leave for military service. If an employee's military service leave exceeds 31 days, the employee may be required to contribute 102% of the premium for health insurance (the 2% additional is for the employer's administrative costs). If the military service was for 30 or fewer days, the person cannot be required to pay more than the normal employee share of any premium for employer provided health insurance. Even if an employee does not elect to continue health insurance coverage while on military leave, the employee has to be reinstated in the employer's health insurance plan upon reemployment without any waiting periods or exclusions.

Pensions – PERA

Under USERRA, all pension plans in which benefits are earned for length of service are protected.

Seniority Rights

The city will treat employees engaged in military service as though they have been continuously employed.

Reemployment Rights

Employees returning from military service will be re-employed in the job or similar job that they would have attained had they not been absent for military service and with the same seniority, status, and pay, if he/she can perform the essential functions of that position.

Reinstatement is based on the duration of military service. Employees returning from military service must follow these service guidelines based on calendar days:

- 1) Up to 30 days: Employee must report to work for the next regularly scheduled shift on the day after release from the military (includes time necessary for safe travel home and eight (8) hours of rest).
- 2) From 31 to 180 Days: Employee must apply for reemployment within fourteen (14) days after release.
- 3) More Than 181 Days: Employee must apply for reemployment within ninety (90) days after release.

Failure to return to work or apply for reinstatement within the specified time limits subjects the employee to the city's policy concerning unauthorized leave of

absence.

8.19 EDUCATIONAL LEAVE

The City Administrator may, at their discretion, grant a leave of absence with or without pay to an employee for the purpose of attending schools, training, meetings, conferences, and other functions which are a benefit to the city, if such leave will not cause disruption of service. The City Administrator's determination will be made in conjunction with the appropriate department director.

8.20 BONE MARROW DONATION LEAVE

Employees working an average of 20 or more hours per week may take paid leave, not to exceed 40 hours unless agreed to by the City, to undergo medical procedures to donate bone marrow.

The City may require a physician's verification of the purpose and length of the leave requested to donate bone marrow. If there is a medical determination that the employee does not qualify as a bone marrow donor, the paid leave of absence granted to the employee prior to that medical determination is not forfeited

CHAPTER 9: RESPECTFUL WORKPLACE & HARASSMENT PREVENTION

9.1 CODE OF CONDUCT

It is the policy of the City of Owatonna to observe the highest standards of ethics, honesty, and integrity. All employees are required to uphold these standards. Employees should strive to conduct all business dealings and relationships with integrity, honesty, and respect for others. Always deal fairly and honestly with citizens and others with whom we do business. The proper operation of city government requires that public employees be impartial. This requires that all government decisions be made through the proper channels. Consistent adherence to specific procedures and communication processes will strengthen citizen confidence in the integrity of their government.

Personal Conduct

City employees are expected to maintain the highest level of personal conduct both on and off duty. Public employees are under constant public scrutiny and care should be taken to ensure that nothing is done to damage the public view of the City of Owatonna. Employees should refrain from engaging in any of the following behaviors:

- Being generally abrasive
- Discrediting a co-worker
- Withholding information vital to a co-worker's job performance
- Verbal or physical behavior that is derogatory, abusive, bullying, threatening, or disrespectful.

Violation of this code may result in disciplinary action up to and including discharge through an established progressive disciplinary policy. See Chapter 10 – Disciplinary Procedures.

Zero Tolerance for Violence

Violent and/or assaultive behavior or making or carrying out threats against other employees or the public are unacceptable in any form. Any employee engaged in such conduct shall be subject to disciplinary action up to and including discharge.

Conflict of Interest

Employees must not have any personal interest that conflicts in any way with the interest of the city or its citizens.

No person shall engage in any action that is a conflict of interest. Conflict of interest is any business or transaction resulting in financial or personal gain,

which is incompatible with the proper discharge of the person's official duties; or would tend to impair the person's independent judgment or action in the performance of their official duties. Personal, as distinguished from financial interest, includes an interest arising from blood or marriage relationships or close business association. For purposes of this section, "financial interest" shall mean a substantial financial interest through the ownership of stocks, bonds, notes or other securities.

A conflict of interest may include, but shall not be limited to, the following:

1. Use of confidential information, obtained as a result of public position, for personal gain.
2. Soliciting of personal gifts and favors.
3. Use of official position for personal gain.
4. Holding investments, which will or may interfere with the proper discharge of public duty.
5. Participation as a public representative in a business transaction in which the person has a direct or indirect financial or other personal interest without full disclosure.
6. Personal interest in legislation to the extent that private interest takes precedence over public interest and duty.

9.2 HARASSMENT PREVENTION

The City of Owatonna expects that employees will treat one another with courtesy and respect. In addition, the city recognizes that the Minnesota Human Rights Act and Title VII of the Civil Rights Act prohibit harassment in the workplace, whether sexual, racial, ethnic, religious, or directed towards age, sexual orientation, economic, disability status, or any other characteristic protected by applicable federal, state, or local laws.

It is the policy of the city to maintain a work environment free of any form of harassment as defined by local, state, and federal laws.

The City of Owatonna will **not** tolerate any employee or representative of the city who engages in the following:

- (1) Harassment on the basis of race, color, creed, religion, national origin, sex, religious status, status with regard to public assistance, disability, sexual orientation, membership or activity in a local commission, veteran status, age, or any other characteristic protected by applicable federal, state, or local laws.

- (2) Who permits employees under their supervision to engage in such harassment.
- (3) Who retaliates or permits retaliation against an employee, city representative, or member of the public seeking services or public accommodations who reports such harassment. Retaliation occurs if adverse action is taken against an employee who complains about sexually harassing behavior or an employee who participates in an investigation regarding alleged harassment.

An employee found to be in violation of this policy shall be subject to disciplinary action up to and including discharge. This policy also applies to all business travel and work- related social functions. It shall be the responsibility of the supervisors and department directors to ensure implementation of this policy.

9.3 SEXUAL HARASSMENT

It is the policy of the City of Owatonna to maintain a work environment free from sexual harassment. Sexual harassment on the part of any employee toward a coworker, subordinate, or supervisor will neither be condoned nor tolerated in accordance with the law. All employees have the responsibility to uphold high standards of conduct, honesty, and integrity to assure proper performance of departmental business as well as to maintain the confidence of the Owatonna community. It shall be the policy of the City of Owatonna to ensure that sexual harassment does not occur and that employees of the city are sensitive to the adverse effects of sexual harassment. Further, it is the policy of the city to encourage the reporting of cases of sexual harassment and to actively investigate as well as take appropriate disciplinary action on all reports of sexual harassment.

Definition

Sexual harassment occurs whenever unwelcome conduct on the basis of gender exists. Unwelcome conduct occurs when the recipient did not initiate it and regards it as offensive. The Equal Employment Opportunity Commission (EEOC) defines sexual harassment as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when:

- (1) Submission to such conduct is made, either explicitly or implicitly, a term or condition of an individual's employment;
- (2) Submission to or rejection of such conduct by an individual is used as a basis for employment decisions affecting such an individual; or

- (3) Such conduct has the purpose or effect of substantially interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment.

Sexual harassment can be *physical, verbal, visual, or written*.

There are two types of sexual harassment: tangible employment action and hostile work environment. Tangible employment action involves some type of monetary loss for the employee or significant changes in workload or work assignment. This type of harassment requires that the threat of job detriment or promise of job benefit actually results in some sort of employment related action such as termination, promotion, demotion, or reassignment to a considerably different job or duties. A hostile work environment occurs when actions of another person create adverse or hostile working conditions for an employee or interferes with the employee's work performance through severe or pervasive words or deeds because of the employee's gender.

Sexual harassment can occur in a variety of circumstances, including, but not limited to the following:

- The victim as well as the harasser may be a woman or a man. The victim does not have to be of the opposite sex.
- The harasser can be the victim's supervisor, a supervisor in another area, a co-worker, or a non-employee.
- The victim does not have to be the person harassed but could be anyone affected by the offensive conduct.
- The harasser's conduct must be unwelcome; therefore, it is helpful for the victim to inform the harasser directly that the conduct is unwelcome and must stop.

Examples of sexual harassment include verbal subjection to unwanted sexual jokes, comments, proposition, and innuendo as well as physical behavior such as patting, pinching, constant leering or ogling, and forced or coerced sexual contact. Below are examples of behavior contributing to sexual harassment. This is not an exclusive list.

Sexual harassment can occur in a variety of circumstances, including, but not limited to the following:

- The victim as well as the harasser may be a woman or a man. The victim does not have to be of the opposite sex.

- The harasser can be the victim's supervisor, a supervisor in another area, a co-worker, or a non-employee.
- The victim does not have to be the person harassed but could be anyone affected by the offensive conduct.
- The harasser's conduct must be unwelcome; therefore, it is helpful for the victim to inform the harasser directly that the conduct is unwelcome and must stop.

Examples of sexual harassment include verbal subjection to unwanted sexual jokes, comments, proposition, and innuendo as well as physical behavior such as patting, pinching, constant leering or ogling, and forced or coerced sexual contact. Below are examples of behavior contributing to sexual harassment. This is not an exclusive list.

- Discussing or pressuring for sexual activities.
- Verbal remarks, jokes, or innuendoes of a sexual nature or based upon gender.
- Any sexually-motivated or unnecessary touching.
- Commenting on physical attributes.
- Distribution or display of written materials, pictures, or other graphics of a sexual or gender-biased nature.
- Using demeaning or inappropriate terms, such as "babe."
- Using indecent gestures.
- Sabotaging the victim's work.
- Engaging in hostile physical conduct.
- Granting job favors to those who participate in consensual sexual activity.
- Using profane and offensive language.
- Other behavior or words directed at an individual because of gender

9.4 ADDRESSING HARASSMENT

Responsibility

Any employee who feels he/she is being subjected to harassing behavior is strongly encouraged to inform the individual engaged in the perceived harassing behavior that such behavior is unacceptable. The perceived harasser should be told the conduct is unwelcome and must stop. If the situation cannot be resolved in this manner, then a complaint should be made to the harasser's supervisor or their department director. The supervisor/department director shall investigate any harassment complaint within five (5) days of its receipt and file a report with their superior and the complaining party. No employee shall be subjected to a reduction of employment status, benefits, or loss of advancement opportunities as a result of initiating a harassment complaint. Any employee found to have committed any act(s) of harassment is responsible/accountable for their actions. Harassment of any type is a serious breach of discipline and as such any employee whose behavior involves act(s) of harassment shall be subject to disciplinary action.

Accountability

Supervisors of the City of Owatonna are responsible for ensuring that this and all policies and procedures for the city are followed by all members of the department. On matters of sexual harassment, supervisors shall take affirmative steps to prevent harassment from occurring, such as raising the subject, expressing strong disapproval, informing employees of their rights, and taking measures to sensitize all concerned. If a supervisor is made aware of harassment through personal observation or employee complaint, it is the supervisor's responsibility to investigate, initiate discipline, and educate subordinate personnel on matters of harassment.

Reporting a Complaint

In order to maintain a harassment free work environment, it is essential that all instances of harassment be reported. Any person who believes he/she has been the victim of harassment by any employee or representative or any person with knowledge or belief of conduct, which may constitute such harassment or bias toward an employee or representative, MUST report the alleged conduct immediately.

Harassment should be reported immediately to either the supervisor, department director, or the City Administrator. Upon receipt of a complaint, a supervisor or department director should forward the complaint immediately without screening or investigating to the City Administrator. Failure to forward such a complaint will result in disciplinary action up to and including discharge. A harassment claim against the City Administrator or elected official shall be made to the Steele County Attorney.

The reporting party or complainant shall clearly describe the conduct when making a report or complaint and identify the complaint as one of harassment under this policy. Employees making a report should document in writing behavior they have witnessed. Documentation should include specifics about the behavior, direct quotes, if possible, patterns of abuse, names of witnesses, time, and place of incidents.

Nothing herein shall be construed as limiting in any way an employee's right to file a charge of harassment of any form with the Minnesota Department of Human Rights, the Federal Equal Employment Opportunity Commission, or an appropriate court.

Investigating a Complaint

An investigation will be conducted by city officials or by a third party designated by the city. The investigation may consist of personal interviews and any other method deemed pertinent by the investigator.

In determining whether the alleged conduct constitutes a violation of this policy, the city should consider the surrounding circumstances, the nature of the behavior, past incidents or continuing patterns of behavior, the relationships between the parties involved, and the context in which the alleged incidents occurred. Whether a particular action or incident constitutes a violation of this policy requires a determination based on all the facts and the surrounding circumstances.

The city may take immediate steps, at its discretion, to protect the complainant and other employees or members of the public pending completion of the investigation.

City Action

The city will take such action as appropriate based on the results of the investigation. In the event the investigation establishes that a violation of this policy has occurred, disciplinary action may be taken up to and including discharge.

The results of the city's investigation will be made available to the complainant, consistent with the requirements of the Minnesota Government Data Practices Act, Minnesota Statutes §13.01 et. seq.

Training Policy

The city will provide annual training on the prevention of harassment for all employees.

CHAPTER 10: DISCIPLINARY PROCEDURE

General Policy

Supervisors are responsible for maintaining compliance with city standards of employee conduct. The objective of this policy is to establish a standard disciplinary process for employees of the City of Owatonna. City employees will be subject to disciplinary action for failure to fulfill their duties and responsibilities at the level required, including observance of work rules and standards of conduct and applicable city policies.

Discipline will be administered in a non-discriminatory manner. An employee who believes that discipline applied was either unjust or disproportionate to the offense committed may pursue a remedy through the grievance procedures established in the City's personnel policies. The supervisor and/or the City Council or its designee(s) will investigate any allegation on which disciplinary action might be based before any disciplinary action is taken.

No Contract Language Established

This policy is not to be construed as contractual terms and is intended to serve only as a guide for employment discipline.

Process

The City may elect to use progressive discipline, a system of escalating responses intended to correct the negative behavior rather than to punish the employee. There may be circumstances that warrant deviation from the suggested order or where progressive discipline is not appropriate. Nothing in these personnel policies implies that any City employee has a contractual right or guarantee (also known as a property right) to the job he/she performs.

Documentation of disciplinary action taken will be placed in the employee's personnel file with a copy provided to the employee.

The following are descriptions of the types of disciplinary actions:

- Oral Reprimand
- Written Reprimand
- Suspension With or Without Pay
- Demotion and/or Transfer
- Salary Change
- Discharge

CHAPTER 11: GRIEVANCES

Any dispute between an employee and the city relative to the application, meaning or interpretation of these personnel policies will be settled in the following manner:

Step 1: The employee must present the grievance in writing, stating the nature of the grievance, the facts on which it is based, the provision or provisions of the personnel policies allegedly violated and the remedy requested, to the proper supervisor and discuss it with the supervisor within fourteen (14) calendar days after the alleged violation or dispute has occurred. The supervisor will respond to the employee in writing within fourteen (14) calendar days.

Step 2: If the grievance has not been settled in accordance with Step 1, it must be presented in writing, stating the nature of the grievance, the facts on which it is based, the provision or provisions of the Personnel Policies allegedly violated, and the remedy requested, by the employee to the City Council or its designee(s) and discuss it with the City Council or its designee(s) within fourteen (14) calendar days after the supervisor's response is dated. The City Council or its designee(s) will respond to the employee in writing within fourteen (14) calendar days. The decision of the City Council or its designee(s) is final.

Waiver

If a grievance is not presented within the time limits set forth above, it will be considered "waived." If a grievance is not appealed to the next step in the specified time limit or any agreed extension thereof, it will be considered settled on the basis of the city's last answer. If the city does not answer a grievance or an appeal within the specified time limits, the employee may elect to treat the grievance as denied at that step and immediately appeal the grievance to the next step. The time limit in each step may be extended by mutual agreement of the city and the employee without prejudice to either party.

The following actions are not grievable:

- 1) While certain components of a performance evaluation, such as disputed facts reported to be incomplete or inaccurate are challengeable, other performance evaluation data, including subjective assessments, are not.
- 2) Pay increases or lack thereof; and
- 3) Merit or performance pay awards.

The above list is not meant to be all inclusive or exhaustive.

CHAPTER 12: EMPLOYEE EDUCATION AND TRAINING

12.1 EMPLOYEE TRAINING AND TRAVEL

The City promotes staff development as an essential, ongoing function needed to maintain and improve cost effective quality service to residents. The purposes for staff development are to ensure that employees develop and maintain the knowledge and skills necessary for effective job performance and to provide employees with an opportunity for job enrichment and mobility.

Policy

The City will pay for the costs of an employee's participation in training and attendance at professional conferences, provided that attendance is approved either as part of the budget process and/or as specified procedures require. The employee is expected to exercise good judgment in managing travel costs and make every effort to secure the most economical travel arrangements available at the time.

Authorization

For most budgeted travel/training, authorization has already been given through the budget process; further pre-authorization is not required prior to incurring the expenses, not with- standing any specific procedures established by department directors for their staff.

Pre-authorization by the employee's supervisor is required in the following situations:

- for out-of-state travel/training
- travel/training that requires three or more overnight stays
- unbudgeted travel/training

Complete the Training/Travel Request Form or a similar departmental form if one is available. All requests must include an estimate of the total cost (training session, travel, meals, etc.) and a statement of how the education or training is related to the performance of the employee's work responsibilities with the City. All requests for out of state travel must be reviewed for approval/disapproval by the City Administrator. Attach a signed copy of the approved request form to your Employee Reimbursement Authorization Form.

Allowable Expenses

a) Business Related Expenses

Business related expenses (i.e. photocopying, faxes, internet connection) incurred while on City business may be reimbursed at the discretion of the department director. Original receipts must be provided for reimbursement

b) Transportation

City-owned vehicles – Employees should use a city vehicle for all in-state travel when a city vehicle is available. Employees traveling in a city-owned vehicle are entitled to reimbursement for gas. Original receipts must be provided for reimbursement. Employees are responsible for all fines related to parking or moving violations issued while traveling on City business.

Personal vehicle – If use of a city-owned vehicle is not feasible, an employee may use their personal vehicle.

- They will be reimbursed at the rate stated in Addendum 2 of this manual, but in no event will the reimbursement exceed the cost of coach airfare.
- "Per mile" reimbursement includes the cost of gas, oil, and general maintenance.
- Mileage is reimbursed from the employee's work site to the destination. Mileage should be documented using an internet mapping source such as mapquest.com that will calculate mileage from one specific address to another. Attach a printout of mileage calculation to the Employee Reimbursement Authorization Form.
- Employees that receive a monthly vehicle allowance are not eligible for mileage reimbursement
- Employee is responsible for carrying liability and property damage insurance for any business use of their vehicle.
- Employees are responsible for all fines related to parking or moving violations issued while traveling on City business.
- If an employee elects to use a personal vehicle when a City vehicle is available for use, the employee will be reimbursed the cost of gas using the current cost of gasoline and an average of 25 miles per gallon.

Rental Car – Renting a car is not encouraged. It is rarely the most economical option. Travelers may rent a vehicle at their destination when it is the most convenient or least expensive mode of transportation. Expensive rental rates and parking costs, in addition to the lack of available parking generally makes vehicle rental in large cities impractical. Alternative modes of transportation such as taxis and airport or hotel shuttles should be given first consideration.

Common Carrier (Air, Train, Bus)

- To take advantage of any available discount fares, all reservations and ticket purchases should be made as far in advance as possible.
- First-class travel is prohibited.
- The lowest priced airfare can sometimes require an additional night's stay. Supporting documentation comparing the differing fares must be submitted to provide substantiation as to the savings including the additional night's stay.
- Baggage fees are reimbursable. Original receipts are required for reimbursement.

Ground transportation (Taxis, Public transportation, airport shuttles) – the employee is expected to use the most economical form of transportation available to them. Original receipts are required for reimbursement.

c) Lodging

- Employees are expected to utilize lodging discounts provided through the conference, if available, and select moderately priced accommodations within an acceptable travel distance from the conference location. Hotel locations that result in excessive commuting or taxi expenses should be avoided whenever possible.
- Lodging is limited to the standard room rate for single occupancy for the minimum number of nights required to attend the conference. The employee should request the government rate where available.
- If multiple employees are authorized to travel and share accommodations, the hotel room size should be appropriate to the number of employees sharing lodging.
- Itemized receipts should be retained by the employee upon checkout and turned in with the Employee Reimbursement Authorization Form regardless of whether the City paid the hotel directly or if being reimbursed.
- Single day conferences may be eligible for one day of lodging, if location, hours of the event, or other factors justify an overnight stay. Such instances must be approved in advance by the department director.
- For conferences requiring air travel or ground transportation, lodging is assumed to start the night prior to the conference start date and check-out on the last day of the conference. Lodging would be reimbursed for each full day of the conference.

d) Meals

- Reimbursement shall be allowed for actual meal expenses incurred, including up to 15% tip on each meal, not to exceed the amounts stated in Addendum 2 of this manual.
- The total cost of the meal submitted for reimbursement must exclude any liquor expenses.
- Tips in excess of 15% of the eligible meal costs (excluding liquor) are considered a personal expense of the employee and will not be reimbursed.
- For all meal receipts, the employee should retain the original itemized copy of the receipt that shows the specific items ordered, total cost, tax and tip. The submission of a credit card receipt with only the total cost of the meal will not be reimbursed.
- If the conference registration fee includes a meal, and the employee chooses to purchase a meal elsewhere, the employee shall be responsible for the cost of that meal unless medical reasons require that the employee separately purchase a meal.
- Documentation from the conference agenda that includes enough detail to determine if meals are being provided must be submitted with the Employee Reimbursement Authorization Form.
- Employees will not be reimbursed for meals covered in the registration fee.
- Purchases of meals with a city credit card are prohibited.

e) Conference Registration

- Every effort should be made to take advantage of early registration discounts, if available.
- If conferences include any costs for voluntary, supplemental, recreational, or other excursion activities, these costs are considered to be the responsibility of the employee.
- Any and all costs related to guest/spouse travel or attendance are not reimbursable by the City.

12.2 MEETINGS

The City will not hold breakfast, luncheon, or dinner meetings at the expense of the city except where, in their opinion, they provide an advantageous setting for conducting business with visitors, commissions, or committees not practical under other conditions or when the amount or type of business necessitates working through meal times.

Food Expense Allowed

Whenever it is in the best interest of the city and a public purpose is served, the employee shall be reimbursed for expenses incurred for meals for themselves, visitors, and/or other guests.

Commissions and Committees

Commissions and committees created by the City Council or appointed under State or Federal law may incur no food or entertainment expense unless specifically authorized in the regulations under which they are operating or by special designation by the City Council.

CHAPTER 13: WORKPLACE MODIFICATIONS

13.1 DISABILITY ACCOMMODATIONS

The City is committed to the fair and equal employment of people with disabilities. Reasonable accommodation is the key to this non-discrimination policy. While many individuals with disabilities can work without accommodation, other qualified applicants and employees face barriers to employment without the accommodation process. It is the policy of the City to reasonably accommodate qualified individuals with disabilities unless the accommodation would impose an undue hardship. In accordance with the Minnesota Human Rights Act and the Americans with Disabilities Act, accommodations will be provided to qualified individuals with disabilities when such accommodations are directly related to performing the essential functions of a job, competing for a job, or to enjoy equal benefits and privileges of employment. This policy applies to all applicants, employees, and employees seeking promotional opportunities.

Definitions

Disability: For purposes of determining eligibility for a reasonable accommodation, a person with a disability is one who has a physical or mental impairment that materially or substantially limits one or more major life activities.

Reasonable Accommodation: A reasonable accommodation is a modification or adjustment to a job, an employment practice, or the work environment that makes it possible for a qualified individual with a disability to enjoy an equal employment opportunity.

Examples of accommodations may include acquiring or modifying equipment or devices; modifying training materials; making facilities readily accessible; modifying work schedules; and reassignment to a vacant position.

Reasonable accommodation applied to three aspects of employment:

- A. To assure equal opportunity in the employment process;
- B. To enable a qualified individual with a disability to perform the essential functions of a job; and
- C. To enable an employee with a disability to enjoy equal benefits and privileges of employment.

Undue hardship: An undue hardship is an action that is unduly costly, extensive, substantial or disruptive, or that would fundamentally alter the nature or operation of the City.

Procedures

Procedure - Current employees and employees seeking promotion.

- A. The City will inform all employees that this accommodation policy can be made available in accessible formats.
- B. The employee shall inform the Human Resources Department of the need for an accommodation.
- C. The Human Resources Department may request documentation of the individual's functional limitations to support the request. Any medical documentation must be collected and maintained on separate forms and in separate, locked files. No one will be told or have access to medical information unless the disability might require emergency treatment.
- D. When a qualified individual with a disability has requested an accommodation, the employer shall, in consultation with the individual:
 - a. Discuss the purpose and essential functions of the particular job involved. Completion of a step-by-step job analysis may be necessary.
 - b. Determine the precise job related limitation.
 - c. Identify the potential accommodations and assess the effectiveness each would have in allowing the individual to perform the essential functions of the job.
 - d. Select and implement the accommodation that is the most appropriate for both the individual and the employer. While an individual's preference will be given consideration, the City is free to choose among equally effective accommodations and may choose the one that is less expensive or easier to provide.
 - e. The City Administrator or his or her designee will work with the employee to obtain technical assistance, as needed.
 - f. The City Administrator will provide a decision to the employee within a reasonable amount of time.
 - g. If an accommodation cannot overcome the existing barriers or if the accommodation would cause an undue hardship on the operation of the City, the employee and the City Administrator or its designee(s) shall work together to determine whether reassignment may be an appropriate accommodation.

Procedure - Job Applicants.

- A. The job applicant shall inform the Human Resources Department of the need for an accommodation and they will discuss the needed accommodation and possible alternatives with the applicant.
- B. The City Administrator will make a decision regarding the request for accommodation and, if approved, take the necessary steps to see that the accommodation is provided.

Procedure – Undue Hardship.

- A. The employee will meet with the City Administrator or designee to discuss the requested accommodation.
- B. The City Administrator or its designee(s) will review undue hardships by considering the following:
 - a. The nature and cost of the accommodation in relation to the size, the financial resources, and the nature and structure of the operation; and
 - b. The impact of the accommodation on the nature or operation of the City.
 - c. The City Administrator or its designee(s) will provide a decision to the employee.

Appeals

Employees or applicants who are dissatisfied with the decision(s) pertaining to their accommodation request may initiate a grievance under the grievance procedure in these policies. If the individual believes the decision is based on discriminatory reasons, then they file a complaint internally through the City's complaint procedure as outlined in these policies.

Supported work

The City will review vacant positions and assess the current workload and needs of the city to determine if job tasks might be performed by a supported employment worker(s).

13.2 PREGNANCY ACCOMMODATIONS

The City will attempt to provide a female employee who requests reasonable accommodation with the following for her health conditions related to her pregnancy or childbirth.

- more frequent restroom, food, and water breaks;
- seating;
- limits on lifting over 20 pounds and/or temporary transfer to a less strenuous or hazardous position, should one be available.

Additionally, an employer must provide reasonable accommodations, including, but not limited to, temporary leaves of absence, modification in work schedule or job assignments, seating, more frequent or longer break periods and limits to heavy lifting to an employee for health conditions related to pregnancy or childbirth upon request, with the advice of a licensed health care provider or certified doula, unless the employer demonstrates the accommodation would impose an undue hardship on the operation of the employer's business. In accordance with state law, no employee is required to take a leave of absence for a pregnancy nor accept a pregnancy accommodation.

Unless such accommodations impose an undue hardship on the city, the city

will engage in an interactive process with respect to an employee's request for a reasonable accommodation.

An employer shall not discharge, discipline, penalize, interfere with, or otherwise retaliate or discriminate against an employee for asserting reasonable accommodations pregnancy rights or remedies.

13.3 RELIGIOUS ACCOMMODATIONS

The City respects the religious beliefs and practices of all employees and will make, upon request, an accommodation for such observances when a reasonable accommodation is available that does not create an undue hardship on the City's business.

An employee whose religious beliefs or practices conflicts with their job, work schedule, or with the City's policy or practice on dress and appearance, or with other aspects of employment and who seeks a religious accommodation must submit a written request for the accommodation to their immediate supervisor. The written request will include the type of religious conflict that exists and the employee's suggested accommodation.

The immediate supervisor will evaluate the request considering whether a work conflict exists due to a sincerely held religious belief or practice and whether an accommodation is available which is reasonable and which would not create an undue hardship on the city's business. An accommodation may be a change in job, using paid leave or leave without pay, allowing an exception to the dress and appearance code which does not impact safety or uniform requirements, or for other aspects of employment. Depending on the type of conflict and suggested accommodation, the supervisor may confer with their supervisor or City Administrator or its designee(s).

The supervisor and employee will meet to discuss the request and decision on an accommodation. If the employee accepts the proposed religious accommodation, the immediate supervisor will implement the decision. If the employee rejects the proposed accommodation, he/she may appeal following the City's general grievance policy and procedure.

13.4 SHORT-TERM MODIFIED DUTY ASSIGNMENT

This policy is to establish guidelines for temporary assignment of modified duties to employees who are unable or limited in performing their essential functions due to a temporary medical condition. A modified assignment is evaluated by the City Administrator or its designee(s) on a case-by-case basis. This policy does not guarantee any modifications to an assignment.

Purpose

Such assignments are for temporary medical conditions; assignment of it is at the discretion of the City Administrator or its designee(s). The City Administrator or its designee(s) reserves the right to determine when and if modified duties will be assigned.

Procedure

When an employee is unable or limited in performing their essential functions on a temporary basis due to a medical condition, they will notify the supervisor in writing as to the nature and extent of the medical condition, the reason why they are unable to or limited in performing their essential functions, and a request for a modified assignment. This notice must be accompanied by a qualified medical provider's written document containing a diagnosis, limitations, current treatment, any work restrictions related to the medical condition, and the expected time frame regarding return to work with no restrictions and meeting all essential requirements and functions of the city's job description. Upon receipt of the written request, the supervisor must forward a copy of the written document to the City Administrator or its designee(s).

The City may require a medical examination conducted by a qualified medical provider selected by the city to verify the diagnosis and limitations, current treatment, expected length of the temporary medical condition, and work restrictions. It is at the discretion of the City Administrator or its designee(s) whether or not to assign modified duties to the employee. Although this policy is handled on a case-by-case basis, such assignments will be short-term and not generally be approved beyond six months.

If the City offers a modified assignment to an employee who is on leave related to a condition for which the employee is receiving workers' compensation benefits, the employee may be subject to penalties if they refuse such work.

Review

The circumstances of each employee assigned to perform modified duties will be reviewed regularly, which may include a request to provide updated medical information related to the condition and limitations. Any modified work assignment may be modified or discontinued at any time.

CHAPTER 14: WORK RULES AND CONDUCT

14.1 CONSEQUENCES FOR ENGAGING IN PROHIBITED CONDUCT

1) Job Applicants

The City's conditional offer of employment will be withdrawn from any job applicant who refuses to be tested or tests positive for illegal drugs as verified by a confirmatory test.

2) Employees

Refer to applicable DOT or Non-DOT policy for consequences related to positive drug tests.

- a. No Adverse Action without Confirmatory Test - The City will not discharge, discipline, discriminate against, or request or require rehabilitation of an employee based on a positive test result from an initial screening test that has not been verified by a confirmatory test.
- b. Suspension Pending Test Result - The City may temporarily suspend a tested employee with or without pay, or transfer that employee to another position at the same rate of pay pending the outcome of the requested confirmatory retest, provided the City believes that it is reasonably necessary to protect the health or safety of the employee, co-employees, or the public. The employee will be asked to return home, and will be provided appropriate arrangements for return transportation to his or her residence. An employee who has been suspended without pay will be reinstated with back pay if the outcome of the requested confirmatory retest is negative.
- c. Discipline and Discharge - Confirmatory Positive Test Result: The City will not discharge an employee for a first confirmatory positive test unless the following conditions have been met:
 - The City has first given the employee an opportunity to participate in either a drug or alcohol counseling or rehabilitation program, whichever is more appropriate, as determined by the City after consultation with a certified chemical use counselor or physician trained in the diagnosis and treatment of chemical dependency. Participation by the employee in any recommended substance abuse treatment program will be at the employee's own expense or pursuant to the coverage under an employee benefit plan. The certified chemical use counselor or physician trained in the diagnoses and treatment of chemical dependency will determine if the employee has followed the rehabilitation program as prescribed; and
 - The employee has either refused to participate in the counseling or

rehabilitation program or has failed to successfully complete the program, as evidenced by withdrawal from the program before its completion or by a refusal to test or positive test result on a confirmatory test after completion of the program.

Other Misconduct

Nothing in this policy limits the right of the City to discipline or dismiss an employee on grounds other than a positive confirmatory test result, including conviction of any criminal drug statute for a violation occurring in the workplace or violation of other City personnel policies.

Emergency Call Back to Work Provisions

If an employee is called out for a City emergency and he or she reports to work and is suspected of being under the influence of drugs or alcohol, he or she will not be subject to the testing procedures of this policy, but may be subject to discipline and will not be allowed to work. Appropriate arrangements for return transportation to the employee's residence will be made. It is the sole responsibility of the employee who is under the influence of alcohol and/or drugs or cannabis and who is called out for a City emergency, to notify his or her supervisor of this information and advise if he or she is unable to respond to the emergency call back.

14.2 NO SMOKING

The City of Owatonna observes and supports the Minnesota Clean Indoor Air Act (MCIAA). All City buildings, vehicles and equipment, in their entirety, shall be designated as smoke free. MCIAA defines smoking as inhaling, exhaling, burning or carrying any lighted or heated cigar, cigarette, pipe or any other lighted for heated product containing, made or derived from nicotine, tobacco, marijuana, or other plant intended for inhalation. This definition includes carrying or using an activated electronic delivery device. Smoking is prohibited for employees while on duty, in a City facility, property, or in a City vehicle.

14.3 STANDARDS OF APPEARANCE

The appearance of city employees is a direct reflection on the professionalism of our services. It is important that employees maintain a neat, well-groomed, and pleasing personal appearance at all times. Work attire should complement an environment that reflects an efficient, orderly, and professionally operated organization. Standards by necessity will vary by department. The higher the frequency of public contact, the higher the standard. This will present a positive image of the city and demonstrate the pride our city employees have in themselves and their jobs. Individual departments and/or functional work areas may adopt more stringent rules relative to standards of appearance in the workplace.

Employees who have questions concerning dress standards should direct them to their immediate supervisor or department director.

14.4 WORKPLACE VIOLENCE

Purpose

It is the policy of the City of Owatonna that each of our employees has the right to a workplace free from violence. For purposes of this policy, violence is defined as any act in which one person seeks to hurt or intimidate another through the use of physical contact, verbal harassment, or manipulation. This includes actions of employees, supervisors, customers, suppliers, or any other person.

Everyone we come in contact with at work deserves to be treated with courtesy and respect. It is important that all employees understand that harassment, intimidation and physical violence in the workplace will not be tolerated. This includes actions from employees to one another as well as to/from the public.

Goal

The City of Owatonna shall seek to eliminate the potential for violence in and around the workplace.

Objectives

The City will utilize a variety of methods to accomplish this goal, including:

- 1) Disseminate to all employees a statement against all acts of violence, including family violence. This statement will be posted in prominent locations accessible to employees, citizens, customers, and suppliers.
- 2) Opposition to all forms of harassment will be made clear by disseminating to all employees copies of this policy and the use of informational posters, to be displayed in areas accessible to our employees, citizens, customers, and suppliers.
- 3) Management and the City Safety and Health Committee will regularly review our workplace environment and seek to minimize wherever possible physical attributes which may expose our employees, citizens, customers, or suppliers to violent acts.
- 4) Employees with questions or complaints about workplace behaviors that fall under this policy may discuss them with their immediate supervisor. Concerns/complaints will be investigated, and appropriate action taken. Employees should refer to Chapter 11, Grievances, in this Policy and Procedures Manual, or bargaining agreements for the appropriate grievance procedure.

Employees should refer to individual departmental standard operating procedures relative to denial of services for customers/patrons who violate established standards for verbal harassment, physical contact, and other inappropriate behavior.

14.5 ACCEPTABLE AND UNACCEPTABLE BEHAVIOR

It is the policy of the City of Owatonna to administer preventive and progressive disciplinary action consistently, without discrimination of any kind. The city expects all employees to exhibit appropriate behavior and good judgment as well as competence at work. When employees fall short in these areas, disciplinary action will be considered.

The City Administrator, department directors, and direct supervisors have the right to impose discipline upon an employee. Examples of unacceptable behavior include, but are not limited to:

- 1) Violations of city policy.
- 2) Theft of cash, city property, or equipment.
- 3) Destroying, damaging, or failing to safeguard city records, or use of such for personal business.
- 4) Willful damage to public or private property.
- 5) Demonstrating insubordination, including, but not limited to:
 - a. Refusal to perform a reasonable, safe, and proper work assignment.
 - b. Refusal to work overtime when required.
 - c. Refusal to render assistance.
 - d. Insolent response to directives.
 - e. Delay in carrying out an assignment.
 - f. Undermining and disrespectful behavior.
- 6) Violent and/or assaultive behavior, making or carrying out threats against other employees or the public.
- 7) Unauthorized possession or use of weapons on city property.
- 8) Disrespectful behavior towards other employees, including malicious or ill-natured communications.
- 9) Using city equipment without authorization.
- 10) Misusing or failing to use designated authority in the performance of duties.

- 11) Holding a private or public position in addition to the person's primary public position, which interferes, or may interfere, with the proper discharge of the public duty.
- 12) Use of disruptive or abusive language toward employees or the public.
- 13) Operating or conducting systematic organized gambling on city time, or using city property. Social personal betting on personal time is not prohibited.
- 14) Failure to report injury or complete First Report of Injury Form.
- 15) Failure to report to work or repeated tardiness or unauthorized absences.
- 16) Inability or incompetence to perform duties.
- 17) Violating safety requirements and regulations.
- 18) Engaging in personal for-profit business while on duty without authorization.
- 19) Failure to report damage to city equipment or property of others.
- 20) Sleeping on the job.
- 21) Utilizing city data, or information systems for any reason other than city business.
- 22) Engaging in tricks, jokes, or horseplay that affects performance or safety issues.
- 23) Falsifying city records, such as employment application and timecards, in any way.
- 24) Failure to comply with conditions of employment, licensure, and/or certification requirements.
- 25) Inability or unwillingness to work effectively and respectfully with other coworkers and/or citizens.
- 26) Any criminal violation of state or federal law.
- 27) Other.

It shall be left to the discretion of the City Administrator and direct supervisors to determine the level of disciplinary action to institute when such action is necessary. Some actions may be grounds for immediate suspension or discharge.

CHAPTER 15: COMMUNICATIONS, PRIVACY & SECURITY

15.1 DATA PRACTICES

All data collected, received, or maintained by the City, including data collected, received, or maintained by City employees are governed by the Minnesota Government Data Practices Act ("MGDPA"). All employees must exercise extreme care to maintain data in accordance with the provisions of that law. Employees shall never release any private, nonpublic, or confidential data to any non-City employee (including, but not limited to, employees' families, friends, and spouse) or to any City employee not officially concerned with the information.

If an employee is uncertain whether data is public or nonpublic, private or whether the data can be released, accessed or discussed, the employee must consult with their supervisor or the data practice's responsible authority and the applicable policies and provisions of the MGDPA.

An employee found to have violated the Data Practices Act or the provisions of this section may be subject to disciplinary action, up to and including immediate termination.

15.2 PERSONNEL FILE

The Human Resources Department will maintain a personnel file on each employee. These files are maintained in accordance with the Minnesota Government Data Practices Act and other laws related to the collection and retention of information. Personnel files are generally available for the employee's review during Human Resources regular office hours. The City will release copies of records in the personnel file only in accordance with the Minnesota Government Data Practices Act.

15.3 COMMUNICATIONS

Official Communications

All City employees have a responsibility to help communicate accurate and timely information to the public about City business in a professional manner. Requests for private data or information outside of the scope of an individual's job duties should be routed to the appropriate department or to the data practices authority. Any employee who identifies a mistake in a communication should bring the error to the City Administrator or other appropriate staff. Regardless of whether the communication is in the employee's official City role or in a personal capacity, employees must comply with all laws related to trademark, copyright, software use etc.

With the exception of routine events and basic information that is readily

available to the public, all requests for interviews or information from the media are to be routed through the City Administrator. No City employee is authorized to speak on behalf of the City without prior authorization from the City Administrator or its designee(s). Media requests include anything intended to be published or viewable to others in some form such as television, radio, newspapers, newsletters, and web sites. When responding to media requests, employee should follow these steps:

1. If the request is for routine or public information (such as a meeting time or agenda) provide the information and notify the City Administrator of the request.
2. If the request is regarding information about City personnel, potential litigation, controversial issues, an opinion on a City matter, or if an employee is unsure if the request is a "routine" question, forward the request to the City Administrator. An appropriate response would be, "I'm sorry, I don't have the full information regarding that issue. Let me take some basic information and submit your request to the appropriate person who will get back to you as soon as they can." Then ask the media representative's name, questions, deadline and contact information.

All news releases concerning City personnel will be the responsibility of the City Administrator or designee(s). When/if the City Administrator or designee(s) authorizes a staff person to communicate on behalf of the City in interviews, publications, news releases, on social media sites, and related communications, employees must:

- Identify themselves as representing the City. Account names on social media sites must be clearly connected to the City and approved by the City Administrator or designee(s).
- Be respectful, professional, and truthful when providing information. In most cases, only factual information (not opinions or editorial comments) should be provided: "The city finished street cleaning on 16 streets in the northwest corner of the city this past week" instead of "The city is doing a great job with street cleaning this year!" Corrections must be issued when needed.
- Generally, do not include personal opinions in official city statements. One exception is communications related to promoting a city service. For example, an employee could post the following on the city's Facebook page: "My family visited Hill Park this weekend and really enjoyed the new band shelter." Employees who have been approved to use social media sites on behalf of the city should seek assistance from Communications staff on this topic.
- Employees need to notify and receive approval from the City Administrator or designee(s) if they will be using their personal technology (cell phones,

home computer, cameras, etc.) for City business. Employees should be aware that the data transmitted or stored on that personal device may be subject to the Data Practices Act.

Personal Communications

It is important for City employee to remember that the personal communications of employees may reflect on the City, especially if employees are commenting on City business. The following guidelines apply to personal communications including various forms such as social media (Facebook, Twitter, blogs, YouTube, etc.), letters to the editor of newspapers, and personal endorsements.

- Remember that what you write is public, and will be so for a long time. It may also be spread to large audiences. Use common sense when using email or social media sites. It is a good idea to refrain from sending or posting information that you would not want your boss or other employees to read, or that you would be embarrassed to see in the newspaper.
- The City expects its employees to be truthful, courteous and respectful towards citizens, customers and other persons associated with the City. Do not engage in name-calling or personal attacks.
- If you publish something related to City business, identify yourself and use a disclaimer such as, "I am an employee of the City. However, these are my own opinions and do not represent those of the City."
- City resources, working time, or official City positions cannot be used for personal profit or business interest, or to participate in personal political activity. For example, a fiscal clerk could not use the City's logo, email or working time to promote their side business as an accountant.
- Personal social media account name or email names should not be tied to the City.

15.4 NON-ROUTINE COMMUNICATIONS

It is the policy of the City of Owatonna to function effectively, maintain a high level of organizational trust, operate within the intent of the City Charter, and ensure that employees are aware of communications and able to respond accordingly. Non-routine communications include those situations that arise outside of standard business practices or due to circumstances that are not part of a normal workday. These situations may involve a high level of uncertainty and ambiguity.

Intra-departmental Communications

Written communications, materials, and emails should be copied to the supervisor and department director in non-routine situations. Employees should participate in cross training and team building within departments to ensure smooth operations in the absence of coworkers.

Inter-departmental Communications

Each department director is required to notify the City Administrator if the nature of the non-routine communication so warrants. Non-routine written communications, materials, and emails should be copied to the City Administrator and to the Department Directors of involved departments.

City Council Communications

In most instances, information shall be conveyed to the City Council via the City Administrator's office. Information and materials provided in response to a request by a City Council member must also be provided to the City Administrator and made available to all members of the City Council.

City Administrator Communications

When communicating directly with the City Administrator, an employee must notify their department director in non-routine situations. All written correspondence, materials, and emails to the City Administrator are to be copied to the Department Director. City employees shall attempt to work out issues within their departments and with their department directors before initiating communication with the City Administrator.

Media Communications

Employees are not to communicate directly with the media unless directed to do so by their department director. Requests for information by the media received by employees are considered non-routine communications and must be directed to their Department Director and the Communications Manager. Media releases may not be distributed without approval by the Department Director or highest supervisor available. All written correspondence, materials and emails are to be copied to the Communications Manager, appropriate department director(s) and City Administrator.

Citizen Communications

Employees shall communicate in a positive manner with citizens about routine matters and city operations. Additional information is available in the City's Comprehensive Communication Plan available on the City's SharePoint Intranet site.

Department Directors and the City Administrator must be notified of all non-routine communications with citizens. Problems and concerns should be responded to in the manner appropriate for the situation.

Employees should only respond to a letter to the editor via direct correspondence to the individual and not through the media outlet or by publishing a reply unless so directed by the Communications Manager, Department Director, or City Administrator. All written correspondence, materials and emails are to be copied to the appropriate Supervisor, Department Director, Communications Manager and City Administrator.

Contact Information

Only the names and City-owned email addresses, phone numbers and street addresses of elected and appointed officials are considered public information per Minnesota Statute § 13.601 and may be released to the public without the written consent of those officials.

Consent to release personal email addresses, street addresses or phone numbers, which are considered private information, must be in writing. As a standard practice, only City email addresses are provided publicly for elected officials.

15.5 MONITORING AND INSPECTING

There is no general or specific expectation of privacy in the workplace, either on the premises of the city or while on duty. In general, employees should assume that what they do while on duty or on the City premises is not private.

In public spaces and where the City assigns offices, vehicles, cubicles, desks, file cabinets, drawers, lockers, or other work spaces and storage areas to an employee, those public spaces, work spaces and storage areas continue at all times to belong to the City and may be monitored and inspected at any time without the consent or knowledge of the employee in a public space or to whom they work spaces and storage areas may be assigned. Monitoring of these spaces and areas may include video or electronic surveillance. The contents of such surveillance is intended to and may be used for, among other things, determining whether a workplace standard has been violated and in disciplinary proceedings and may be disclosed to appropriate individuals and entities involved in making such a determination and disciplinary proceedings.

No employee should consider any of these areas, or any compartment within these areas, as belonging to the employee or otherwise to be areas private to the employee, even if the employee uses their own lock or other security device. Employees who bring personal property into or onto the facilities or vehicles of the City should understand that such personal property may also become the subject of a workplace inspection. Because employees are presumed to use the facilities of the City to conduct the business of the City, employees should be aware that personal storage or conveyance items such as briefcases and file folders owned by the employee may be deemed to contain the property of the City and may be included in routine or focused workplace inspections.

The City reserves the right to conduct inspections to monitor compliance with rules concerning safety of employees, security of the city and individual property, drugs and alcohol, and possession of other prohibited items. "Prohibited items" includes illegal drugs, alcoholic beverages, prescription drugs or medications not used or possessed in compliance with a current valid prescription, weapons, any items of an obscene, harassing, demeaning, or violent nature, and any property in the possession or control of an employee who does not have authorization

from the owner of such property to possess or control the property. "Control" means knowing where a particular item is, having placed an item where it is currently located, of having any influence over its continued placement. In addition to the City premises, the City may search employees, their work areas, lockers, personal vehicles if driven or parked on City property, and other personal items such as bags, purses, briefcases, backpacks, lunch boxes, and other containers. In requesting a search, the City is by no means accusing anyone of theft, some other crime, or any other variety of improper conduct.

All employees of the city are subject to this policy. However, any given search may be restricted to one or more specific individuals, depending upon the situation. Searches may be done on a random basis or based upon reasonable suspicion. "Reasonable suspicion" means circumstances suggesting to a reasonable person that there is a possibility that one or more individuals may be in possession of a prohibited item as defined above. Any search under this policy will be done in a manner protecting employees' privacy, confidentiality, and personal dignity to the greatest extent possible. The City will respond severely to any unauthorized release of information concerning individual employees.

No employee will ever be physically forced to submit to a search. However, an employee who refuses to submit to a search will face disciplinary action, up to and possibly including immediate termination of employment.

15.6 EMPLOYEE ID BADGE

New employees will need to get their picture taken for a city employee identification badge. Badges will serve as official city identification and must be made available upon request.

CHAPTER 16: ACCEPTABLE USE OF ELECTRONICS, DATA & NETWORK SYSTEMS

16.1 PHONE USE

City phones are provided for official business relating to city affairs.

Personal Use

It may be necessary in the course of the day for employees to make or receive personal calls. Personal calls should be kept to a minimum of both time and frequency. In no event, however, shall employees make or receive personal calls relating to an employee's for-profit non-city business matters, such as the sale or purchase of goods or services.

Employees must reimburse the city for all personal long distance usage of city phones or when they are recipients of personal collect calls that incur costs not related to city business. The city pays the bill in full and distributes the detailed bills to the departments. Employees must reimburse the city for their expenditures from the bills distributed to the departments. The Finance Department shall receive and receipt payment.

Long Distance

Employees are prohibited from making any calls that bill outside the normal long distance services (example: 900 numbers).

Cellular Phones

Cellular phones are an effective tool for delivering services to the City of Owatonna customers.

Work Related Cellular phones are provided for official city business as determined by management. The Technology Director will approve cellular phones assigned on a full-time basis to a city employee/representative.

It is the desire of the city to make sure that cellular phones are used primarily for city business and that the cost to the city for cellular phone use is kept as low as possible. A personal call is one not related to the city's service to the public. It is preferable that the city- provided cellular phones not be used for personal business, but should an employee elect to make or receive personal calls on a city-provided cellular phone, such personal calls should be kept to a minimum, for short duration, and should be made on the employee's own time.

Cellular Phone Procedures

The following are guidelines and procedures on when and how to use your city-provided cellular phone.

- City employees are prohibited from using hand-held mobile telephones while operating any vehicle owned by the city of Owatonna, unless using in a hands-free mode. The department head and employee supervisor are responsible for implementation of this policy for all employees who drive city vehicles under their supervision. City employees are required to report observations of non-compliance with this policy to their immediate supervisors.
- Law Enforcement Personnel may be exempt from this policy under emergency and/or crisis situations that require planning and coordination with other responding personnel. This exemption may also apply to communication efforts that may aid in the immediate destruction of property and/or loss of life or imminent loss of life. If the situation allows, priority should be given to the use of a base or portable radio(s) over cellular telephones. However, when practical and safe to do so, employees operating a city vehicle should park the vehicle while conducting conversations on a cellular telephone or while dialing numbers on a cellular telephone. If such an approach is not practical, employees should utilize features that can enhance safety, including automatic dialing, hands-free features, headphone attachments that use only one ear, speakers, etc.; and when this type of technology is made available by the City.
- Cellular phones are not secure transmissions. Phone calls regarding sensitive information should be conducted on landlines.
- In no event shall employees make or receive personal calls relating to non-city for profit business matters during the employee's normal scheduled working hours. In other words, employees with their own personal businesses shall not conduct their personal business matters with city cellular phones or on the city's premises while on the clock for the city.
- Employees may not make any calls that bill outside the normal long-distance services. (Example: 900 numbers.)
- Department directors are responsible for ensuring that cellular phone use is consistent with this policy. Personal Cell Phones Personal cellular telephone use while at work is not allowed except during the employee's break and lunch period.

16.2 COMPUTER USE

General Information

This policy serves to protect the security and integrity of the City's electronic communication and information systems by educating employees about appropriate and safe use of available technology resources.

Computers and related equipment used by City employees are property of the City. The City reserves the right to inspect, without notice, all data, emails, files, settings, or any other aspect of a City-owned computer or related system, including personal information created or maintained by an employee. The City may conduct inspections on an as- needed basis as determined by City Administrator.

Beyond this policy, the city's Information Technology Director may distribute information regarding precautions and actions needed to protect City systems; all employees are responsible for reading and following the guidance and directives in these communications.

Personal Use

The City recognizes that some personal use of City-owned computers and related equipment has and will continue to occur. Some controls are necessary, however, to protect the City's equipment and computer network and to prevent abuse of this privilege.

Reasonable, incidental personal use of City computers and software (e.g., word processing, spreadsheets, email, Internet, etc.) is allowed but should never preempt or interfere with work. All use of City computers and software, including personal use, must adhere to provisions in this policy, including the following:

- Employees shall not connect personal peripheral tools or equipment (such as printers, digital cameras, disks, USB drives, or flash cards) to City-owned systems, without prior approval from the Information Technology Director. If permission to connect these tools/peripherals is granted, the employee must follow provided directions for protecting the City's computer network.
- Personal files should not be stored on City computer equipment. This also applies to personal media files, including but not limited to mp3 files, wav files, movie files, iTunes files, or any other file created by copying a music CD, DVD, or files from the Internet. Information Technology staff will delete these types of files if found on the network, computers, or other City-owned equipment. Exceptions would be recordings for which the City has created, owns, purchased, or has a license.
- City equipment or technology shall not be used for personal business interests, for- profit ventures, political activities, or other uses deemed by the City Administrator to be inconsistent with City activities. If there is any question about whether a use is appropriate, it should be forwarded to the Human Resource Director for a determination.

Hardware

In general, the City will provide the hardware required for an employee to perform his or her job duties. Requests for new or different equipment should be made to your supervisor, who will forward the request to the Information

Technology Department.

The City will not supply laptop computers based solely on the desire of employees to work offsite. A laptop request form will be required for each laptop deployment, and must be signed off by the employee's supervisor and department head. Laptops will only be issued to employees who: travel frequently and require the use of a full computer while traveling; regularly use their laptop offsite; require a laptop for access to special software or systems; and/or have a documented business need for a laptop.

Only City staff may use City computer equipment. Use of City equipment by family members, friends, or others is strictly prohibited.

Employees are responsible for the proper use and care of City-owned computer equipment. City computer equipment must be secured while off City premises; do not leave computer equipment in an unlocked vehicle or unattended at any offsite facility. Computer equipment should not be exposed to extreme temperature or humidity. If a computer is exposed to extreme heat, cold, or humidity, it should be allowed to achieve normal room temperature and humidity before being turned on.

Software

In general, the City will provide the software required for an employee to perform his or her job duties. Requests for new or different software should be made to your supervisor, who will forward the request to the Information Technology Department.

Employees shall not download or install any software on their computer without the prior approval of the Information Technology Director. Exceptions to this include updates to software approved by Information Technology such as Microsoft updates, or other productivity software updates. The Information Technology Department may, without notice, remove any unauthorized programs or software, equipment, downloads, or other resources.

Electronic Mail: The City provides employees with an email address for work-related use. Some personal use of the City email system by employees is allowed, provided it does not interfere with an employee's work and is consistent with all City policies.

Employee emails (including those that are personal in nature) may be considered public data for both e-discovery and information requests and may not be protected by privacy laws. Email may also be monitored as directed by the City authorized staff and without notice to the employee.

Employees must adhere to these email guidelines:

- Never transmit an email that you would not want your supervisor, other employees, members, city officials, or the media to read or publish (e.g.; avoid gossip, personal information, swearing, etc.).
- Use caution or avoid corresponding by email on confidential communications (e.g., letters of reprimand, correspondence with attorneys, medical information).
- Do not open email attachments or links from an unknown sender. Delete junk or "spam" email without opening it if possible. Do not respond to unknown senders.
- Do not use harassing language (including sexually harassing language) or any other remarks, including insensitive language or derogatory, offensive, or insulting comments or jokes.

Electronic Calendars: A shared calendar environment is provided as part of the City's email software program. All employees are required to keep their electronic calendar up to date and, at a minimum, must grant all staff the ability to view their calendar availability.

Instant Messaging: Due to data retention concerns, Instant Messaging (IM) is only allowed for transitory discussions and should be deleted after use. The City only allows IM via MS Teams. Employees are not allowed to download or install any other IM software package on their City computer.

Personal Devices: Employees may choose to use their own equipment to read or compose email or other City data as governed in this policy. Employees understand that by connecting their personal equipment to the City's email server, their personal devices could be searched during an e-discovery or other court-ordered scenarios and agree to grant access to their personal devices should such a situation arise. Employees must secure personal devices with screen lock password.

Security:

Passwords: Employees are responsible for maintaining computer/network passwords and must adhere to these guidelines:

- Passwords must be at least eight characters long and include at least three of the following: lowercase character; uppercase character; and a number or non-alpha-numeric character (e.g., *, &, %, etc.). (Example: JOyfully!) Password requirements may be changed as necessary, as determined by the Information Technology Director.
- Passwords should not be shared or told to other staff. If it is necessary to access an employee's computer when he or she is absent, contact your

supervisor or the Information Technology Department; the Information Technology Department will not provide access to staff accounts without approval of the Human Resource Director.

- Passwords should not be stored in any location on or near the computer, or stored electronically such as in a cell phone or other mobile device.
- Employees must change passwords every 90 days when prompted, or on another schedule as determined by the Information Technology Department.

Network access: Non-City-owned computer equipment used in the City's building should only use the wireless connection to the Internet. Under no circumstances should any non-City-owned equipment be connected to the City's computer network via a network cable. Exceptions may be granted by the Information Technology Director.

Personal computer equipment may not be connected to the City's network without prior approval of the Information Technology Director. Personal equipment may be subject to password requirements or other electronic security measures as determined by the Information Technology Director.

Remote Access to the Network: Examples of remote access include but are not limited to Virtual private network (VPN), Windows Remote Desktop, and Windows Terminal Server connections. While connected to City computer resources remotely, all aspects of the City's Computer Use Policy will apply, including the following:

- Remote access to the City's network requires a request from a supervisor and approval from the Information Technology Department. Remote access privileges may be revoked at any time by an employee's supervisor or the City Administrator.
- If remote access is from a non-City-owned computer, updated anti-virus software must be installed and operational on the computer equipment, and all critical operating system updates must be installed prior to connecting to the City network remotely. Failure to comply could result in the termination of remote access privileges.
- Recreational use of remote connections to the City's network is strictly forbidden. An example of this would be a family member utilizing the City's cellular connection to visit websites.
- Private or confidential data should not be transmitted over an unsecured wireless connection. Wireless connections are not secure and could pose a security risk if used to transmit City passwords or private data while connecting to City resources. Wireless connections include those over

cellular networks and wireless access points, regardless of the technology used to connect.

Internet: The following considerations apply to all uses of the Internet:

- Information found on the Internet and used for City work must be verified to be accurate and factually correct.
- Reasonable personal use of the Internet is permitted. Employees may not at any time access inappropriate sites. Some examples of inappropriate sites include but are not limited to adult entertainment, sexually explicit material, or material advocating intolerance of other people, races, or religions. If you are unsure whether a site may include inappropriate information, you should not visit it.
- If an employee's use of the Internet is compromising the integrity of the City's network, Information Technology staff may temporarily restrict that employee's access to the Internet. If Information Technology staff does restrict access, they will notify the employee, HR, and the employee's manager as soon as possible, and work with the employee and manager to rectify the situation.
- The City may monitor or restrict any employee's use of the Internet without prior notice, as deemed appropriate by the employee's manager in consultation with the Human Resource Director and the City Administrator.

Data Retention: Electronic data should be stored and retained in accordance with the City's records retention schedule.

Storing and Transferring Files: If you are unsure whether an email or other file is a government record for purposes of records retention laws or whether it is considered protected or private, check with your supervisor. If you are unsure how to create an appropriate file structure for saving and storing electronic information, contact the Information Technology Department

Employees must adhere to these guidelines when transferring and storing electronic files:

- All electronic files must be stored on identified network drives and folder locations. The City will not back up documents stored on local computer hard drives and holds no responsibility for recovery of documents on local computer hard drives should they fail. Files may be temporarily stored on a laptop hard drive when an employee is traveling/offsite; however, the files should be copied to network as soon as possible.
- Electronic files, including emails and business-related materials created on an employee's home or personal computer for City business, must be transferred to and stored in designated locations on the City's network.

City-related files should not be stored on an employee's personal computer, unless otherwise defined in this policy.

- All removable storage media (e.g., CD-ROM, flash or USB drive, or other storage media) must be verified to be virus-free before being connected to City equipment.
- Email that constitutes an official record of City business must be kept in accordance with all records retention requirements for the department and should be copied to the network for storage.
- Email that is simple correspondence and not an official record of City business should be deleted (from both the "Inbox" and the "Deleted" box) as soon as possible and it is recommended employees not retain such correspondence for more than three months. The City will not retain emails longer than one year on the network.

Electronic files or emails that may be classified as protected or private information should be store

CHAPTER 17: SAFETY

17.1 SAFETY

The City of Owatonna recognizes its obligation to provide the safest possible working conditions for its employees, a safe environment for its citizens, and in the event of an accident, to provide prompt first aid and medical care to minimize personal injuries. This requires a safety program whereby: (1) our employees will be provided proper personal protective equipment and job instruction; (2) their work practices will be frequently reviewed; and (3) most important, their work performance will be supervised.

Each city department-head will be responsible for the safety and wellbeing of the workers in their department as well as the repair and maintenance of facilities and equipment within their area of responsibility. Each city employee will complete their assigned tasks in a safe fashion based on the training they received, the city safety rules, OSHA standards, good safety practices and any other appropriate guideline.

17.2 BASIC INDIVIDUAL SAFETY EQUIPMENT

Personal safety equipment is required for employees who are exposed to moving equipment and other such hazards. This would include safety shoes, hard hats, and safety glasses.

Hard hats are furnished to all employees, except those working in an office setting. Safety shoes are required for the same group of employees. However, since these employees are responsible for providing their own safety shoes, the City will reimburse employees up to the amount of \$125 per calendar year, or effective January 1, 2025, \$250 every two calendar years, for the purpose of one (1) pair of safety shoes, so long as they get prior approval from their Department Head or Designee before purchasing any safety shoes. Forms for approval can be picked up from your Department Head.

City employees who are currently exposed to potential eye injuries are required to wear safety glasses. Your department director will furnish non-prescription safety glasses if you don't otherwise need glasses.

17.3 DRIVING POLICY

This policy applies to all employees who drive a vehicle on city business at least once per month, whether driving a city-owned vehicle or their own personal vehicle. It also applies to employees who drive less frequently but whose ability to drive is essential to their job due to the emergency nature of the job. The City expects all employees who are required to drive as part of their job to drive safely and legally while on City business and to maintain a good driving record.

The City will examine driving records once per year for all employees who are

covered by this policy to determine compliance with this policy. Employees who lose their driver's license or receive restrictions on their license are required to notify their immediate supervisor on the first work day after any temporary, pending or permanent action is taken on their license and to keep their supervisor informed of any changes thereafter. The City will determine appropriate action on a case-by-case basis

17.4 CITY VEHICLES

City vehicles may be used by employees only in conjunction with their performance of city operations and duties. City vehicles shall not be used for private employee travel except when the employee has received prior approval by the City Administrator. Personal use of city vehicles will be governed by terms and conditions set by the City Administrator. In addition, employees:

- Must have a valid driver's license and appropriate class if needed.
- Must report the number of miles used for personal reasons.
- Must pay for such private use of the vehicle at a rate set by IRS regulations.
- May not provide rides to hitchhikers.
- May not take city vehicles home when the employee lives outside the city limits of Owatonna, unless exception is granted by the City Administrator.

Employees are expected to follow all traffic laws and city policies while using a city vehicle, including use of a seat belt.

Employees are prohibited from providing rides to non-city employees except as required for city business.

Employees are expected to leave vehicles clean, and any damage and/or mechanical problems are to be reported to the city shops.

Vehicular Accident

For the purpose of this policy, "city vehicle" is defined as any city-owned/leased motor vehicle. Employees using their own vehicles while conducting city business shall follow the reporting procedures outlined below. In addition, they should initially submit the claim to their own insurance.

1. Report Procedure.

All accidents occurring to city vehicles must immediately be reported to the police (call "9-1-1") at the time of accident, and by the supervisor of the employee involved in the accident to the department director within twenty-four (24) hours. Department directors will ensure that these reports are turned in to the City Administrator. If an accident occurs outside the city limits and is below the State reporting threshold, the employee will request the law enforcement agency having jurisdiction complete an accident report. If the law enforcement agency will not complete a report, the employee shall provide a

written report on the circumstances surrounding the accident to their supervisor as soon as they return to the city.

2. *Police Department Response:*

- a) The Police Department will respond to all local motor vehicle accidents involving city vehicles. An accident report will be completed by the patrol officer investigating the accident.
- b) The patrol officer will ensure the accident is investigated and photographs of the accident are taken to document the accident.

The police will, after reviewing the investigation and observing the accident scene, make a determination as to whether the accident was "preventable" (at fault) or "not preventable." The results of the determination and a brief report on the accident will be completed by the patrol officer and provided to the department director of the employee involved in the accident. If the accident involves a department director, then the results and report will be forwarded to the City Administrator.

3. *Department Director / Supervisor Responsibilities:*

- a) The department director receiving the report from the Police supervisor shall review the report and ensure appropriate action is taken in cases where an accident is preventable and/or "at fault" by the city employee.
- b) Supervisors are responsible for taking necessary corrective action when an employee is found to be "at fault" in a motor vehicle accident.
- c) The City Administrator will be informed of all vehicular accidents. The City Administrator will be further informed whenever an employee is found to be "at fault" in the context of this policy and, for whatever reason, no corrective action was taken. The notification will be in the form of a report detailing the reason(s) no corrective action was taken.
- d) All corrective action will be documented by the supervisor taking the action, and a copy of the action will be included in the personnel file.

17.5 FIREARMS PROHIBITED AT WORK

The City of Owatonna hereby establishes a policy prohibiting all employees, except sworn employees of the Police Department, from carrying or possessing firearms while acting in the course and scope of employment for the city. This policy includes employees with valid permits to carry firearms. The possession or carrying of a firearm by employees other than sworn police officers is prohibited while working on city property or while working in any location on behalf of the city.

This includes, but is not limited to:

- Driving on city business.
- Riding as a passenger in a car or any type of mass transit on city business.
- Working at City Hall or any other city-owned work site.
- Working off-site on behalf of the city.
- Performing emergency or on-call work after normal business hours and on weekends.
- Working at private residences and at businesses on behalf of the city.
- Attending training or conferences on behalf of the city.

An exception to this policy is that city employees may carry and possess firearms in city- owned parking areas if they have obtained the appropriate permit(s). Therefore, if a city employee must drive his or her personal vehicle on city business, he or she may check a firearm with the city Police Department during the workday and retrieve it after work. The Police Department will establish procedures to ensure that the firearm is locked up and is not able to be retrieved by anyone other than the owner/employee.

When responding to on-call work from home after regular work hours, an employee is prohibited from bringing a firearm in their private vehicle unless the vehicle remains in a parking lot and is not needed in order to respond to the call. Violations of this policy are subject to disciplinary action in accordance with the city's disciplinary procedures policy.

The city reserves the right to search and inspect employee property while on city premises, while operating city machinery, equipment or vehicles for work-related purposes, or while engaged in city business off premises. The city also reserves the right to search all workplace areas on city premises including desks, lockers, and file cabinets.

The city encourages employees who are aware of policy violations to report promptly the violations to their supervisors. No employee acting in good faith, who reports violations of this policy will be subject to retaliation or harassment based upon their report.

CHAPTER 18: NON-DOT DRUG AND ALCOHOL TESTING AND DRUG AND ALCOHOL-FREE WORKPLACE

18.1 PURPOSE AND OBJECTIVES

(Revised 8/2/23)

The City of Owatonna ("City") has a vital interest in maintaining safe, healthful, and efficient working conditions for employees, and recognizes that individuals who are impaired because of drugs and/or alcohol jeopardize the safety and health of other workers, the public, as well as themselves. The City does not intend to intrude into the private lives of its employees, but strongly believes that a drug- and alcohol-free workplace is in the best interest of employees and the public alike. Alcohol and drug abuse can cause unsatisfactory job performance, increased tardiness and absenteeism, increased accidents and workers' compensation claims, higher insurance rates, and an increase in theft of City property.

Consistent with the Minnesota Drug and Alcohol Testing in the Workplace Act, the City's Non-DOT Drug and Alcohol Testing Policy has been established for the purpose of providing a safe workplace for all. City employees and applicants required to hold a commercial driver's license by the United States Department of Transportation ("DOT") for their job will be tested under the City's DOT Drug and Alcohol Testing Policy (the "DOT Policy") for the tests specified in such policy. All other tests and employees and job applicants offered employment with the City must undergo testing as described by this policy.

To ensure the policy is clearly communicated to all employees and applicants to whom offers of employment have been made, and to comply with state law, employees and applicants are required to review this policy and sign the Notice and Consent of Drug and Alcohol Testing the City will provide. A job applicant will also acknowledge in this form that he/she understands that passing the drug test is a requirement of the job.

Because changes in applicable law and the City's practices and procedures may occur from time to time, this policy may change in the future, and nothing in this policy is intended to be a contract, promise, or guarantee the City will follow any particular course of action, disciplinary, rehabilitative or otherwise, except as required by law. This policy does not in any way affect or change the status of any at-will employee.

Any revisions to the Minnesota Drug and Alcohol Testing in the Workplace Act will take precedent over this policy to the extent the policy has not incorporated those revisions.

If any specific provisions of this policy conflicts with any current labor contract or civil service rules, the labor contract or civil service rules will prevail, except for any specific language required by law.

The City retains the full and unrestricted right to establish, modify, or eliminate any component of employment related to or included within this policy.

18.2 PERSONS SUBJECT TO TESTING AND CIRCUMSTANCES UNDER WHICH TESTING MAY BE REQUIRED

Under this policy, the City may test any applicant to whom an offer of employment has been made, and may test any employee for alcohol and/or controlled substance under any of the following circumstances with a properly accredited or licensed testing laboratory:

Pre-Employment Testing

For positions that the City determines all job applicants conditionally offered employment for that position will undergo drug and/or alcohol testing, every job applicant offered employment with the City for that position will receive the offer conditioned upon passing a drug and/or alcohol test, among other conditions. If the job offer is withdrawn based on drug test results, the City will inform the applicant of the reasons for the withdrawal. A positive drug test result from an initial screening test verified by a confirmatory test, a refusal to take the test, or failure to meet other conditions of the offer will result in a withdrawal of the offer of employment even if the applicant's provisional employment has begun. A negative or positive dilute test result following a second collection, which has been confirmed, will also result in immediate withdrawal of an offer of employment to an applicant. The City may request or require job applicants conditionally offered employment to undergo cannabis testing as part of pre-employment testing if the applicant is in one of the following positions:

- A safety-sensitive position;
- Police officer or sheriff position;
- Firefighter position;
- Position requiring face-to-face care, training, education, supervision, counseling, consultation or medical assistance to children, vulnerable adults, or patients who receive health care services from a provider for the treatment, examination, or emergency care of a medical, psychiatric, or mental condition;
- Position requiring an employee to operate a motor vehicle for which state or federal law requires drug or alcohol testing of a job applicant or an employee;
- Position of employment funded by a federal grant; or
- Any other position for which federal law requires testing of a job applicant for cannabis.

Reasonable Suspicion Testing

Consistent with Minn. Stat. § 181.951, subd. 3, employees will be subject to alcohol and drug testing or cannabis testing when reasonable suspicion exists to believe that the employee:

- Is under the influence of alcohol or a controlled substance; or

- Has violated written work rules prohibiting the use, possession, sale or transfer of drugs or alcohol while working, while on City property, or while operating City vehicles, machinery or any other type of equipment; or
- Has sustained a personal injury as defined in Minn. Stat. § 176.011, subd. 16 or has caused another employee to sustain an injury or;
- Has caused a work-related accident or was operating or helping to operate machinery, equipment, or vehicles involved in a work-related accident.

Reasonable suspicion may be based upon, but is not limited to, facts regarding appearance, behavior, speech, breath, odor, possession, proximity to or use of alcohol or a controlled substance or containers or paraphernalia, poor safety record, excessive absenteeism, impairment of job performance, or any other circumstances that would cause a reasonable employer to believe that a violation of the City's policies concerning alcohol or drugs may have occurred. These observations will be reflected in writing on a Reasonable Suspicion Record Form.

For off-site collection, employees will be driven to the employer-approved medical facility by their supervisor or a designee. For an on-site collection service, the employee will remain on site and be observed by the supervisor or designee. The medical facility or on-site collection service will take the urine or blood sample and will forward the sample to an approved laboratory for testing.

Treatment Program Testing

The City may request or require an employee to undergo drug and/or alcohol testing or cannabis testing if the employee has been referred by the City for chemical dependency treatment or evaluation or is participating in a chemical dependency treatment program under an employee benefit plan. In such a case, the employee may be requested or required to undergo drug and/or alcohol testing or cannabis testing without prior notice during the evaluation or treatment period and for a period of up to two years following completion of any prescribed chemical dependency treatment program.

Routine Physical Examination Testing

The City may request or require an employee to undergo drug and/or alcohol testing as part of a routine physical examination. The City will request or require this type of testing no more than once annually, and the employee will be provided with at least two weeks' written notice that the test will be required as part of the physical examination. The City may request or require an employee to undergo cannabis testing as part of a routine physical examination testing when an employee is in one of the following positions:

- A safety-sensitive position;
- Police officer or sheriff position;
- Firefighter position;

- Position requiring face-to-face care, training, education, supervision, counseling, consultation or medical assistance to children, vulnerable adults, or patients who receive health care services from a provider for the treatment, examination, or emergency care of a medical, psychiatric, or mental condition;
- Position requiring an employee to operate a motor vehicle for which state or federal law requires drug or alcohol testing of a job applicant or an employee;
- Position of employment funded by a federal grant; or
- Any other position for which federal law requires testing of a job applicant for cannabis.

Random Testing

The City may require an employee to submit to random drug and/or alcohol testing or cannabis testing if the employee is in a safety-sensitive position.

18.3 RIGHT OF REFUSAL

Employees and job applicants have the right to refuse to submit to an alcohol or drug test or cannabis test under this policy. However, such a refusal will subject an employee to immediate discharge. If an applicant refuses to submit to applicant testing, any conditional offer of employment will be withdrawn.

Any intentional act or omission by the employee or applicant that prevents the completion of the testing process constitutes a refusal to test.

An applicant or employee who substitutes, or attempts to substitute, or alters, or attempts to alter a testing sample is considered to have refused to take a drug and/or alcohol test or cannabis test. In such a case, the employee is subject to immediate discharge from employment, and in the case of an applicant, the job offer will be immediately withdrawn.

18.4 REFUSAL ON SINCERELY HELD RELIGIOUS BELIEF

An employee or job applicant who, based on a sincerely held religious belief, refuses to undergo drug or alcohol testing or cannabis of a blood sample will not be considered to have refused testing, unless the employee or job applicant also refuses to undergo drug or alcohol testing or cannabis testing of a urine sample.

18.5 COST OF REQUIRED TESTING

The City will pay for the cost of all drug and alcohol testing or cannabis testing requested or required of all job applicants and employees, with the exception of confirmatory retests. Job applicants and employees are responsible for paying for all costs associated with any requested confirmatory retests.

18.6 REVIEW AND NOTIFICATION OF TEST RESULTS

Notification of Negative Test Results

In the case of job applicants, Human Resources will notify a job applicant of a negative drug and/or alcohol or cannabis test result within three working days of receipt of result by the City, and the hiring process will resume. A "Negative Test Results Notification" form will be sent to the job applicant, and the job applicant may request a copy of the test result report from Human Resources.

In the case of current employees, Human Resources will notify the employee of a negative drug and/or alcohol or cannabis test result within three working days of receipt of result by the City. A "Negative Test Results Notification" form will be sent to the employee, and he or she may request a copy of the test result report from Human Resources.

Notification of Positive Test Results

In the event of a confirmed positive blood or urine alcohol and/or drug test or cannabis test result, the City will notify the employee of a positive drug and/or alcohol or cannabis test result within three days of receipt of the result. Human Resources will send to the employee or job applicant a "Positive Test Results Notification" letter containing further instructions. The employee or job applicant may contact Human Resources to request a copy of the test result report if desired. A laboratory must report results to the City within three working days of the confirmatory test result.

Right to Provide Information after Receiving Test Results

Within three working days after notice of a positive controlled substance or alcohol test or cannabis test result on a confirmatory test, the employee or job applicant may submit information to the City to explain the positive result. If an employee submits information either before a test or within three working days after a positive test result that explains the positive test result, (such as medications the employee is taking), the City will not take an adverse employment action based on that information unless the employee has already been under an affirmative duty to provide the information before, upon, or after hire.

Right to Confirmatory Retest

A job applicant or employee may request a confirmatory retest of the original sample at the job applicant's or employee's own expense after notice of a positive test result on a confirmatory test. Within five working days after notice of the confirmatory test result, the job applicant or employee must notify the City in writing of the job applicant's or employee's intention to obtain a confirmatory retest. Within three working days after receipt of the notice, the City will notify the original testing laboratory that the job applicant or employee has requested the laboratory to conduct the confirmatory retest or transfer the sample to another

qualified laboratory licensed to conduct the confirmatory retest. The original testing laboratory will ensure the control and custody procedures are followed during transfer of the sample to the other laboratory. The laboratory is required to maintain all samples testing positive for a period of six months. The confirmatory retest will use the same controlled substance and/or alcohol threshold detection levels as used in the original confirmatory test.

In the case of job applicants, if the confirmatory retest does not confirm the original positive test result, the City's job offer will be reinstated and the City will reimburse the job applicant for the actual cost of the confirmatory retest. In the case of employees, if the confirmatory retest does not confirm the original positive test result, no adverse personnel action based on the original confirmatory test will be taken against the employee, the employee will be reinstated with any lost wages or salary for time lost pending the outcome of the confirmatory retest result, and the City will reimburse the employee for the actual cost of the confirmatory retest.

Access to Reports

An employee will have access to information contained in his or her personnel file relating to positive test results and to the testing process, including all information gathered as part of that process.

Dilute Specimens

A negative or positive dilute test result (following a second collection) which has been confirmed will subject an employee to immediate discharge.

18.7 DRUG AND ALCOHOL-FREE WORKPLACE POLICY

Use and Possession of Alcohol or Drug(s) or Cannabis

Employees are prohibited from the use, possession, transfer, transportation, manufacture, distribution, sale, purchase, solicitation to sell or purchase, or dispensation of alcohol, drugs, cannabis, or drug paraphernalia while on duty; is on City premises; while operating any City vehicle, machinery, or equipment; or when performing any City business, except (1) pursuant to a valid medical prescription used as properly instructed; (2) the use of over-the-counter controlled substance used as intended by the manufacturer; or (3) when necessary for approved law enforcement activity.

Besides having a zero-tolerance policy for the use or possession of alcohol, illegal drugs, or misused prescription drugs on the worksite, we also prohibit the use, possession of, impairment by any cannabis or medical cannabis products (e.g., hash oils, edibles or beverages containing cannabinoids, or pills) on the worksite by a person working as an employee at the City or while "on call" and subject to return to work. Having a medical marijuana card, patient registry number, and/or cannabis prescription from a physician does not allow anyone to use, possess, or be impaired by that drug here. Likewise the fact that cannabinoids may be lawfully

purchased and consumed in some circumstances does not permit anyone to use, possess, or be impaired by them here. The federal government still classifies cannabis as an illegal drug, even though some states, including Minnesota, have decriminalized its possession and use. There is no acceptable concentration of marijuana metabolites in the blood or urine of an employee who operates our equipment or vehicles or who is on one of our worksites. Applicants and employees are still subject to being tested under our drug and alcohol testing policy. And employees are subject to being disciplined, suspended, or terminated after testing positive for cannabis if the employee used, possessed, or was impaired by cannabis, including medical cannabis, while on the premises of the place of employment or during the hours of employment.

While Impaired of Alcohol or Drug(s) or Cannabis

Employees are prohibited from being impaired by any alcohol or drugs or cannabis when reporting for work; while on duty; is on the City's premises; while operating any City vehicle, machinery, or equipment; or when performing any City business.

Employees are prohibited from being under the influence of alcohol, drugs, or cannabis, or having a detectable amount of an illegal drug in the blood or urine when reporting for work; while on duty; is on the City's premises; while operating any City vehicle, machinery, or equipment; or when performing any City business, except (1) pursuant to a valid medical prescription used as properly instructed; or (2) the use of over-the-counter controlled substance used as intended by the manufacturer.

Driving While Impaired

A conviction of driving while impaired in a City-owned vehicle at any time during business or non-business hours, or in an employee-owned vehicle while conducting City business, may result in discipline, up to and including discharge.

Criminal Controlled Substance Convictions

Any employee convicted of any criminal drug statute must notify his or her supervisor and the City's Human Resources Division in writing of such conviction no later than five days after such conviction. Within 30 days after receiving notice from an employee of a controlled substance-related conviction, the City will take appropriate personnel action against the employee up to and including discharge, or require the employee to satisfactorily participate in a controlled substance abuse assistance or rehabilitation program as an alternative to discharge. In the event notice is not provided to the supervisor and the employee is deemed to be incapable of working safely, the employee will not be permitted to work and will be subject to disciplinary action, up to and including dismissal from employment. In accordance with the Federal Drug-Free Workplace Act of 1988, if the City is receiving federal grants or contracts of

over \$25,000, the City will notify the appropriate federal agency of such conviction within 10 days of receiving notice from the employee.

Failure to Disclose Lawful Controlled Substance

Employees taking a lawful controlled substance, including prescription and over-the-counter controlled substances, which may impair their ability to perform their job responsibilities or pose a safety risk to themselves or others, must advise their supervisor of this before beginning work. It is the employee's responsibility to seek out written information from his/her physician or pharmacist regarding medication and any job performance impairment and relay that information to his/her supervisor. In the event of such a disclosure, the employee will not be authorized to perform safety-sensitive functions.

18.8 CONSEQUENCES FOR EMPLOYEES ENGAGING IN PROHIBITED CONDUCT

1. Job Applicants

The City's conditional offer of employment will be withdrawn from any job applicant who refuses to be tested or tests positive for illegal drugs as verified by a confirmatory test.

2. Employees

a. No Adverse Action without Confirmatory Test

The City will not discharge, discipline, discriminate against, or request or require rehabilitation of an employee based on a positive test result from an initial screening test that has not been verified by a confirmatory test.

b. Suspension Pending Test Result

The City may temporarily suspend a tested employee with or without pay, or transfer that employee to another position at the same rate of pay pending the outcome of the requested confirmatory retest, provided the City believes that it is reasonably necessary to protect the health or safety of the employee, co-employees, or the public. The employee will be asked to return home, and will be provided appropriate arrangements for return transportation to his or her residence. An employee who has been suspended without pay will be reinstated with back pay if the outcome of the requested confirmatory retest is negative.

c. Discipline and Discharge:

- ***Confirmatory Positive Test Result:*** The City will not discharge an employee for a first confirmatory positive test unless the following conditions have been met:

The City has first given the employee an opportunity to participate in either a drug or alcohol counseling or rehabilitation program, whichever is more appropriate, as determined by the City after consultation with a certified chemical use counselor or physician trained in the diagnosis and treatment of chemical dependency.

Participation by the employee in any recommended substance abuse treatment program will be at the employee's own expense or pursuant to the coverage under an employee benefit plan. The certified chemical use counselor or physician trained in the diagnoses and treatment of chemical dependency will determine if the employee has followed the rehabilitation program as prescribed; and

The employee has either refused to participate in the counseling or rehabilitation program or has failed to successfully complete the program, as evidenced by withdrawal from the program before its completion or by a refusal to test or positive test result on a confirmatory test after completion of the program.

- Other Misconduct

Nothing in this policy limits the right of the City to discipline or dismiss an employee on grounds other than a positive confirmatory test result, including conviction of any criminal drug statute for a violation occurring in the workplace or violation of other City personnel policies.

- d. Emergency Call Back to Work Provisions

If an employee is called out for a City emergency and he or she reports to work and is suspected of being under the influence of drugs or alcohol, he or she will not be subject to the testing procedures of this policy, but may be subject to discipline and will not be allowed to work. Appropriate arrangements for return transportation to the employee's residence will be made. It is the sole responsibility of the employee who is under the influence of alcohol and/or drugs or cannabis and who is called out for a City emergency, to notify his or her supervisor of this information and advise if he or she is unable to respond to the emergency call back.

18.9 NON-DISCRIMINATION

The City's policy on work-related substance abuse is non-discriminatory in intent and application; however, in accordance with Minn. Stat., ch. 363, disability does not include conditions resulting from alcohol or other drug abuse which prevents an employee from performing the essential functions of the job in question or constitutes a direct threat to property of the safety of individuals.

Furthermore, the City will not retaliate against any employee for asserting his or her rights under this policy.

18.10 CITY'S EMPLOYEE ASSISTANCE PROGRAM

The City has in place a formal employee assistance program (EAP) to assist employees in addressing serious personal or work-related problems at any time. The City's EAP provides

confidential, cost-free, short-term counseling to employees and their families. Employees who may have an alcohol or other drug or cannabis abuse problem are encouraged to seek assistance before a problem affects their employment status. Employee assistance program services are available by contacting the Human Resources Department.

18.11 POLICY CONTACT FOR ADDITIONAL INFORMATION

If you have any questions about this policy or the City's drug and alcohol testing or cannabis testing procedures, you may contact your immediate supervisor, Human Resources, or the City Administrator to obtain additional information.

By this policy, the City of Owatonna has established a drug-free awareness program to inform employees about the dangers of drug abuse in the workplace and its policy of maintaining a drug-free workplace. Each City employee will receive a copy of this policy and will be required to read it.

DEFINITIONS

Alcohol:

The intoxicating agent in beverage alcohol or any low molecular weight alcohols such as ethyl, methyl, or isopropyl alcohol. The term includes but is not limited to beer, wine, spirits, and medications such as cough syrup that contain alcohol.

Alcohol use or usage:

The consumption of any beverage, mixture, or preparation, including any medication, containing alcohol.

Applicant:

A person applying for a job with the City.

Cannabis Testing:

An analysis of a body component sample according to the standards established under one of the programs listed in Minn. Stat. § 181.953, subdivision 1, for the purpose of measuring the presence or absence of cannabis flower, as defined in Minn. Stat. § 342.01, subdivision 16, cannabis products, as defined in Minn. Stat. § 342.01, subdivision 20, lower-potency hemp edibles as defined in Minn. Stat. § 342.01, subdivision 50, hemp-derived consumer products as defined in Minn. Stat. § 342.01, subdivision 37, or cannabis metabolites in the sample tested.

City:

The City of Owatonna.

City Premises:

All City job sites and work areas. For the purposes of this policy, City premises also includes any other locations or modes of transportation to and from those locations while in the course and scope of employment of the City.

City Vehicle:

Any vehicle which employees are authorized to use solely for City business when used at any time; or any vehicle owned or leased by the City when used for City business.

Collection Site:

A place designated by the City where job applicants and employees present themselves for the purpose of providing a specimen of their urine and/or blood to be analyzed for the presence of controlled substances and alcohol.

Confirmatory Test:

A controlled substance or alcohol test or cannabis test on a sample to substantiate the results of a prior controlled substance or alcohol test or cannabis on the same sample, and that uses a method of analysis allowed under one of the programs listed in Minn. Stat. § 181.953, subd. 1.

Controlled Substance:

A drug, substance, or immediate precursor in Schedules I through V of Minn. Stat. § 152.02. The term shall not include distilled spirits, wine, malt beverages, intoxicating liquors or tobacco.

Drug:

Has the same meaning as "controlled substance" defined in Minn. Stat. § 152.01, subd. 4, but does not include marijuana, tetrahydrocannabinols, cannabis flower as defined in Minn. Stat. § 342.01, subdivision 16, cannabis products as defined in Minn. Stat. § 342.01, subdivision 20, lower-potency hemp edibles as defined in Minn. Stat. § 342.01, subdivision 50, and hemp-derived consumer products as defined in Minn. Stat. § 342.01, subdivision 37.

Drug and Alcohol Testing:

An analysis of a body component sample according to the standards established under one of the programs listed in Minn. Stat. § 181.953, subd.1, for the purpose of measuring their presence or absence of drugs, alcohol, or their metabolites in the sample tested. "Drug and alcohol testing," "drug or alcohol testing," and "drug or alcohol test" do not include cannabis or cannabis testing, unless stated otherwise.

Drug Paraphernalia:

As set forth in Minn. Stat. § 152.01, subd. 18.

Employee:

A person who performs services for compensation for the City and includes independent contractors except where specifically noted in this policy.

Initial Screening Test:

A drug or alcohol test that uses a method of analysis under one of the programs listed in Minn. Stat. § 181.953, subd. 1.

Job Applicant:

A person who applies to become an employee of the City, and includes a person who has received a job offer made contingent on the person passing drug testing.

Positive Test Result:

A finding of the presence of alcohol, illegal drugs, or their metabolites that exceeds the cutoff levels established by the City. Minimum threshold detection levels are subject to change as determined in the City's sole discretion.

Random Selection Basis:

A mechanism for selection of employees that (1) results in an equal probability that any employee from a group of employees subject to the selection mechanism will be selected, and (2) does not give an employer discretion to waive the selection of any employee selected under the mechanism.

Reasonable Suspicion:

A basis for forming a belief based on specific facts and rational inferences drawn from those facts.

Safety-Sensitive Position:

A job, including any supervisory or management position, in which an impairment caused by drug or alcohol usage would threaten the health or safety of any person.

Under the Influence:

Either (1) the employee tests positive for alcohol or drugs, or (2) the employee's actions, appearance, speech, and/or bodily odors reasonably cause the City to conclude that the employee is impaired because of illegal drug use or alcohol use.

CHAPTER 19: DOT DRUG AND ALCOHOL TESTING

19.1 PURPOSE AND OBJECTIVES

The City of Owatonna ("City") has a vital interest in maintaining a safe, healthful, and efficient working conditions for employees, and recognizes that individuals who are impaired because of drugs and/or alcohol jeopardize the safety and health of other workers, the public, as well as themselves. The City is concerned about providing a safe workplace for its employees, and while the City does not intend to intrude into the private lives of its employees, it is the goal to provide a work environment conducive to maximum safety and optimum work standards. Alcohol and drug abuse can cause unsatisfactory job performance, increased tardiness and absenteeism, increased accidents and workers' compensation claims, higher insurance rates, and an increase in theft of City property. The use, possession, manufacture, sale, transportation, or other distribution of controlled substance or controlled substance paraphernalia and the unauthorized use, possession transportation, sale, or other distribution of alcohol is contrary to this policy and jeopardizes public safety.

In response to regulations issued by the United States Department of Transportation ("DOT"), the City has adopted this DOT Drug and Alcohol Testing Policy for employees who hold a commercial driver's license ("CDL") to perform their duties. The City also has a separate Non-DOT Drug and Alcohol Testing Policy for employees or testing not covered by DOT regulations.

Given the significant dangers of alcohol and controlled substance use, each applicant and driver must abide by this policy as a term and condition of hiring and continued employment. Moreover, federal law requires the City to implement such a policy.

To ensure this policy is clearly communicated to all drivers and applicants, and in order to comply with applicable federal law, drivers and applicants are required to review this policy and sign the Notice and Consent of Drug and Alcohol Testing the City will provide.

Because changes in applicable law and the City's practices and procedures may occur from time to time, this policy may change in the future, and nothing in this policy is intended to be a contract, promise, or guarantee the City will follow any particular course of action, disciplinary, rehabilitative or otherwise, except as required by law. This policy does not in any way affect or change the status of any at-will employee.

Any revisions to the Federal Omnibus Transportation Employee Testing Act and Federal Motor Carrier Safety Administration (FMCSA) regulations will take precedent over this policy to the extent the policy has not incorporated those revisions.

If any specific provisions of this policy conflicts with any current labor contract or civil service rules, the labor contract or civil service rules will prevail, except for any specific language required by law.

The City retains the full and unrestricted right to establish, modify, or eliminate any component of employment related to or included within this policy.

19.2 PERSONS SUBJECT TO TESTING & TYPES OF TESTS

All employees are subject to testing whose job duties include performing "safety-sensitive functions" on City vehicles that:

- Have a gross combination weight rating or gross combination weight of 26,001 pounds or more, whichever is greater, inclusive of a towed unit(s) with a gross vehicle weight rating or gross vehicle weight of more than 10,000 pounds, whichever is greater; or
- Have a gross vehicle weight rating or gross vehicle weight of 26,001 or more pounds whichever is greater; or
- Are designed to transport 16 or more passengers, including the driver; or
- Are of any size and are used in the transportation of materials found to be hazardous for the purposes of the Hazardous Materials Transportation Act (49 U.S.C. § 5103(b)), and which require the motor vehicle to be placarded under the Hazardous Materials Regulations (49 C.F.R part 172, subpart F).

The following functions are considered safety-sensitive:

- all time waiting to be dispatched to drive a commercial motor vehicle
- all time inspecting, servicing, or conditioning a commercial motor vehicle
- all time driving at the controls of the commercial motor vehicle
- all other time in or upon a commercial motor vehicle (except time spent resting in a sleeper berth)
- all time loading or unloading a commercial motor vehicle, attending the same, giving or receiving receipts for shipments being loaded or unloaded, or remaining in readiness to operate the vehicle
- all time repairing, obtaining assistance, or attending to a disabled commercial motor vehicle.

The City may test any applicant to whom a conditional offer of employment has been made and any driver for controlled substance and alcohol under any of the following circumstances:

Pre-Employment Testing

All applicants, including current employees seeking a transfer, applying for a position where duties include performing safety-sensitive duties described above, will be required to take a drug test prior to the first time a driver performs a safety-sensitive function for the City.

A driver may not perform safety-sensitive functions unless the driver has received a controlled substance test result from the Medical Review Officer ("MRO") indicating a verified negative test result. In addition to pre-employment controlled substance testing, applicants will be required to authorize in writing former employers to release alcohol test results of .04 or greater, positive controlled substance test results, refusals to test, other violations of drug and alcohol testing regulations, and completion of return to duty requirements within the preceding three years.

All applicants, including current employees seeking a transfer, applying for a position where duties include performing safety-sensitive duties described above, will be required to take an alcohol test prior to the first time a driver performs a safety-sensitive function for the City, but only after a conditional offer of employment has been made. No applicant, including current employees seeking a transfer, will perform safety-sensitive functions unless the driver has received an alcohol test result from the MRO indicating a test result of .04 or less Blood Alcohol Content ("BAC").

The City will contact the candidate's DOT regulated previous and current employers within the last three years for drug and alcohol test results as referenced above, and review the testing history if feasible before the employee first performs safety-sensitive functions for the City. Beginning in 2020, an applicant must provide consent to the City, and successfully pass a full query of the Federal Motor Carrier Safety Administration's Clearinghouse. In addition, at least once a year, the City will conduct a limited query of the Clearinghouse for each currently employed CDL driver. If the limited query reveals that the Clearinghouse has information about resolved or unresolved drug and alcohol program violations by a candidate or current employee, he or she will be asked to provide electronic consent to a full query of the Clearinghouse (unless he or she has previously provided electronic consent). In the event a full query of the Clearinghouse reveals unresolved violation information for a candidate or current employee, the driver will not be permitted to perform safety-sensitive functions, including the operation of a Commercial Motor Vehicle and, in the case of a candidate, may have their conditional offer of employment rescinded or, in the case of a current employee, may be subject to discipline.

Post-Accident Testing

As soon as practicable following an accident involving a commercial motor vehicle operating on a public road, the City will test each surviving driver for controlled substances and alcohol when the following occurs:

- The accident involves a fatality; or
- The driver receives a citation for a moving traffic violation from the accident and an injury is treated away from the accident scene; or
- The driver receives a citation for a moving traffic violation from the accident and a vehicle is required to be towed from the accident scene.

The following chart summarizes when DOT post-accident testing needs to be conducted:

Type of accident involved	Citation issued to the DOT covered CDL driver?	Test must be performed by the City
Human fatality	YES	YES
	NO	YES
Bodily injury with immediate medical treatment away from the scene	YES	YES
	NO	NO
Disabling damage to any motor vehicle requiring tow away	YES	YES
	NO	NO

A driver subject to post-accident testing must remain readily available, or the driver will be deemed to have refused to submit to testing. This requirement to remain ready for testing does not preclude a driver from leaving the scene of an accident for the period necessary to obtain assistance in responding to the accident, or to obtain necessary medical care.

Post-Accident Controlled Substance Testing

Drivers are required to submit a urine sample for post-accident controlled substance testing as soon as possible. If the driver is not tested within thirty-two (32) hours after the accident, the City will cease its attempts to test the driver and prepare and maintain on file a record stating why the test was not promptly administered.

Post-Accident Alcohol Testing

Drivers are required to submit to post-accident alcohol testing as soon as possible. After an accident, consuming alcohol is prohibited until the driver is tested. If the driver is not tested within two (2) hours after the accident, the City will prepare and maintain on file a record stating why the test was not administered within that time. If eight (8) hours have elapsed since the accident and the driver has not submitted to an alcohol test, the City will cease its attempts to test the driver and prepare and maintain on file a record stating why the test was not administered.

The City may accept the results of a blood or breath test in place of an alcohol test and urine test for the use of controlled substances if:

- The tests are conducted by federal, state, or local officials having independent authority for the test, and
- The tests conform to applicable federal, state, or local testing requirements, and

- The test results can be obtained by the City.

Whenever such a test is conducted by a law enforcement officer, the driver must contact the City and immediately report the existence of the test, providing the name, badge number, and telephone number of the law enforcement officer who conducted the test.

Random Testing

Every driver will be subject to unannounced alcohol and controlled substance testing on a random selection basis. Drivers will be selected for testing by use of a scientifically valid method under which each driver has an equal chance of being selected each time selections are made. These random tests will be conducted throughout the calendar year. Each driver who is notified of selection for random testing must cease performing safety-sensitive functions and report to the designated test site immediately. It is mathematically possible drivers may be selected and tested more than once, and others not at all.

If a driver is selected for a random test while he or she is absent, on leave, or away from work, that driver may be required to undergo the test when he or she returns to work.

For 2020, federal law requires the City to test at a rate of at least fifty percent (50%) of its average number of drivers for controlled substances each year, and to test at a rate of at least ten percent (10%) of its average number of drivers for alcohol each year. These minimum testing rates are subject to change by the DOT.

Reasonable Suspicion Testing

When a supervisor has reasonable suspicion to believe a driver has engaged in conduct prohibited by federal law or this policy, the City will require the driver to submit to an alcohol and/or controlled substance test.

The City's determination that reasonable suspicion exists to require the driver to undergo an alcohol test will be based on "specific, contemporaneous, articulable observations concerning the appearance, behavior, speech, or body odors of the driver." In the case of controlled substances, the observations may include indications of the chronic and withdrawal effects of a controlled substance.

The required observations for reasonable suspicion testing will be made by a supervisor or other person designated by the City who has received appropriate training in identification of actions, appearance, and conduct of a driver, which are indicative of the use of alcohol or controlled substance. These observations leading to an alcohol or controlled substance test, will be reflected in writing and signed by the supervisor who made the observations. The record will be retained by the City. The person who makes the determination that reasonable

suspicion exists to conduct testing will not be the person conducting the testing, which shall instead be conducted by another qualified person.

Alcohol testing is authorized only if the observations are made during, just before, or just after the driver has ceased performing such functions. If a reasonable suspicion alcohol test is not administered within two (2) hours following the determination of reasonable suspicion, the City will prepare and maintain on file a record stating the reasons the alcohol test was not promptly administered. If a reasonable suspicion alcohol test is not administered within eight (8) hours following the determination of reasonable suspicion, the City will prepare and maintain on file a record stating the reasons the alcohol test was not administered and will cease attempts to conduct the alcohol test.

Notwithstanding the absence of a reasonable suspicion test, no driver may report for duty or remain on duty requiring the performance of safety-sensitive functions while the driver is under the influence of or impaired by alcohol, as shown by the behavioral, speech, and performance indicators of alcohol use, nor will the City permit the driver to perform or continue to perform safety-sensitive functions until: (1) an alcohol test is administered and the driver's alcohol concentration is less than .02; or (2) twenty-four (24) hours have elapsed following the determination of reasonable suspicion.

Return-to-Duty Testing

The City reserves the right to impose discipline, up to and including discharge, against drivers who violate applicable DOT regulations or this policy, subject to applicable personnel policy and collective bargaining agreements. Except as otherwise required by law, the City is not obligated to reinstate or requalify such drivers for a first positive test result.

Should the City consider reinstatement of a DOT covered driver, the driver must undergo a Substance Abuse Professional ("SAP") evaluation and participate in any prescribed education/treatment, and successfully complete a return-to-duty alcohol test with a result indicating an alcohol concentration of less than 0.02 and/or or a controlled substance test with a verified negative result, before the driver returns to duty requiring the performance of a safety-sensitive function. The SAP determines if the driver has completed the education/treatment as prescribed.

The employee is responsible for all costs associated with the return-to-duty test. The controlled substance test will be conducted under direct observation.

Follow-Up Testing

The City reserves the right to impose discipline, up to and including discharge, against drivers who violate applicable DOT regulations or this policy, subject to applicable personnel policies

and collective bargaining agreements. Except as otherwise required by law, the City is not obligated to reinstate or requalify such drivers.

Should the City reinstate a driver following a determination by a Substance Abuse Professional ("SAP") that the driver is in need of assistance in resolving problems associated with alcohol use and/or use of controlled substance, the City will ensure that the driver is subject to unannounced follow-up alcohol and/or controlled substance testing. The number and frequency of such follow-up testing will be directed by the SAP, and will consist of at least six (6) tests in the first twelve (12) months following the driver's return to duty. Follow-up testing will not exceed sixty (60) months from the date of the driver's return to duty. The SAP may terminate the requirement for follow-up testing at any time after the first six tests have been administered, if the SAP determines such test is no longer necessary. The employee is responsible for all costs associated with follow-up tests.

Follow-up alcohol testing will be conducted only when the driver is performing safety-sensitive functions, or immediately prior to or after performing safety-sensitive functions.

19.3 COST OF REQUIRED TESTING

The City will pay for the cost of pre-employment, post-accident, random, and reasonable suspicion-controlled substance and alcohol testing requested or required of all job applicants and employees. The driver must pay for the cost of all requested confirmatory re-tests, return-to-duty, and follow-up testing.

19.4 REQUIRED PRIOR CONTROLLED SUBSTANCE AND ALCOHOL CHECKS FOR APPLICANTS

The City will conduct prior drug and alcohol checks of applicants for employment to drive a commercial motor vehicle. Applicants must execute a consent form authorizing the City to obtain the required information. The City will obtain (pursuant to the applicant's written consent) information on the applicant's alcohol test with a concentration result of 0.04 or greater, positive controlled substance test results, and refusals to be tested within the preceding three (3) years which are maintained by the applicant's previous employers. The City will obtain all information concerning the applicant which is maintained by the applicant's previous employers within the preceding three (3) years pursuant to DOT controlled substance and alcohol testing regulations. The City will review such records, if feasible, prior to the first time a driver performs safety-sensitive functions.

19.5 PROHIBITED CONDUCT

The following conduct is explicitly prohibited by applicable DOT and FMCSA regulations and therefore constitutes violation of City policy.

Under the influence of alcohol when reporting for duty or while on duty

No driver may report for duty or remain on duty requiring the performance of safety-sensitive functions while having an alcohol concentration of 0.04 or greater. Drivers reporting for duty or remaining on duty to perform safety-sensitive functions while having an alcohol concentration of 0.02, but less than 0.04, will be removed from duty for at least 24 hours, escorted home, and placed on vacation/PTO leave for hours missed from work.

On-Duty Use of Alcohol

No driver may use alcohol while performing safety-sensitive functions.

Pre-Duty Use of Alcohol

No driver may perform safety-sensitive functions within four (4) hours after using alcohol. If an employee has had alcohol within four hours, they are to notify their supervisors before performing any safety-sensitive functions.

Alcohol Use Following an Accident

No driver required to take a post-accident alcohol test may use alcohol for eight (8) hours following the accident, or until the driver undergoes a post-accident alcohol test, whichever occurs first.

Refusal to Submit to a Required Alcohol or Controlled Substance Test

No applicant or driver may refuse to submit to pre-employment, post-accident, random, reasonable suspicion or follow-up alcohol or controlled substance testing.

In the event an applicant or driver does in fact refuse to submit to required alcohol or controlled substance testing, no test will be conducted. Refusal by a driver to submit to controlled substance or alcohol testing will be considered a positive test result, will cause disqualification from performing safety-sensitive functions, and may appear on the driver's permanent record. Drivers who refuse to submit to testing will be subject to discipline, up to and including discharge. In accordance with the Federal Motor Carrier Safety Administration's (FMCSA) Commercial Driver's License (CDL) Drug and Alcohol Clearinghouse reporting requirements, beginning January 6, 2020, the City will report a driver's refusal to submit to a DOT test for drug or alcohol use to the Clearinghouse within three business days. If an

applicant refuses to submit to pre-employment-controlled substance testing, any applicable conditional offer will be withdrawn.

For purposes of this section, a driver is considered to have refused to submit to an alcohol or controlled substance test when the driver:

- Fails to provide adequate breath for alcohol testing without a valid medical explanation after he or she has received notice of the requirement for breath testing.
- Fails to provide adequate urine for controlled substance testing without a genuine inability to provide a specimen (as determined by a medical evaluation), after he or she has received notice of the requirement for urine testing.
- Altering or attempting to alter a urine sample or controlled substance test, or substituting or attempting to substitute a urine sample
- Fails to report for testing within a reasonable period of time, as determined by the City.
- Fails to remain at a testing site until testing is complete.
- In the case of directly observed or monitored collection, fails to permit observation or monitoring.
- Fails or declines to take a second test as required by the City and/or collector.
- Fails to undergo a medical examination as directed by the City pursuant to federal law.
- Refuses to complete and sign the alcohol testing form, to provide a breath or saliva sample, to provide an adequate amount of breath, or otherwise cooperate in any way that prevents the completion of the testing process.
- Engages in conduct that clearly obstructs the test process.

Altering or Attempting to Alter a Urine Sample or Breath Test

A driver altering or attempting to alter a urine sample or controlled substance test, or substituting or attempting to substitute a urine sample, will be subject to providing a specimen under direct observation. Both specimens will be subject to laboratory testing. In such case, the employee may be subject to immediate discharge of employment, and any job offer made to an applicant will be immediately withdrawn.

Controlled Substance Use

No driver may report for duty or remain on duty requiring the performance of safety-sensitive functions when the driver uses any controlled substance, except when the use is pursuant to the instructions of a licensed medical practitioner who has advised the driver in writing the substance does not adversely affect the driver's ability to safely operate a commercial motor vehicle. Drivers must forward this information regarding therapeutic controlled substance use to the City immediately after receiving any such advice.

Having a medical marijuana card and/or a cannabis prescription from a physician does not allow anyone to use or possess that drug in the City's workplace. The federal government still classifies cannabis as an illegal drug. There is no acceptable concentration of marijuana

metabolites in the urine or blood of an employee who performs safety-sensitive duties for the City. Employees are still subject to being tested under our policies, as well as for being disciplined, up to and including discharge, after testing positive for cannabis while at work.

Controlled Substance Testing

No driver may report for duty, remain on-duty, or perform a safety-sensitive function if the driver tests positive for controlled substance.

In addition to the conduct prohibited by applicable DOT regulations, the City also maintains other applicable policies regarding drug and alcohol that are applicable to all employees. For specifics regarding those requirements, refer to the City's policy for non-DOT related drug and alcohol policy.

19.6 COLLECTION AND TESTING PROCEDURES

Drivers are required to report immediately upon notification to the collection site. For random tests conducted off site, employees may use a City vehicle to drive to the collection site. Drivers will be expected to provide a photo ID card for identification to the collection staff. All drivers will be expected to cooperate with collection site personnel requests to remove any unnecessary outer garments such as coats, sweaters, or jackets, and will be required to empty their pockets. Collection personnel will complete a Federal Custody and Control Form ("CCF"), which drivers providing a sample will sign as well.

Alcohol Testing

Employees will be tested for alcohol just before, during, or immediately following performance of a safety-sensitive function. If a driver is also taking a DOT controlled substance test, generally speaking, the alcohol test is completed before the urine collection process begins. Screening tests for alcohol concentration will be performed utilizing a non-evidential screening device included by the National Highway Traffic Safety Administration on its conforming products list (e.g., a saliva screening device) or an evidential breath testing device ("EBT") operated by a trained breath alcohol technician ("BAT") at a collection site. An alcohol test usually takes approximately 15 minutes if the result is negative. If a driver's first attempt is positive (with an alcohol concentration of .02 or greater), the driver will be asked to wait at least 15 minutes and then be tested again. The driver may not eat, drink or place anything in his/her mouth (e.g., cigarette, chewing gum) during this time. All confirmation tests will be conducted in a location that affords privacy to the driver being tested, unless unusual circumstances (e.g., when it is essential to conduct a test outdoors at the scene of an accident) make it impracticable to provide such privacy. Any results less than 0.02 alcohol concentration is considered a "negative" test result.

If the driver attempts and fails to provide an adequate amount of breath, he/she will be referred to a physician to determine if the driver's inability to provide a specimen is genuine or constitutes a refusal to test. Alcohol test results are reported directly to the City by the collection site staff.

Controlled Substance Testing

The City will use a "split urine specimen" collection procedure for controlled substance testing. Collection of urine specimens for controlled substance testing will be conducted by an approved collector, and will be conducted in a setting and manner to ensure the driver's privacy.

Controlled substance testing generally takes about 15 minutes. At the collection site, the driver will be given a sealed container and must provide at least 45 ml of urine for testing. Once the sample is provided the collection personnel will check the temperature and color and look for signs of contamination. The urine is then split into two separate specimen containers (A, or "primary," and B, or "split") with identifying labels and security seals affixed to both. The collection facility will be responsible for maintaining a proper chain of custody for delivery of the sample to a DHHS-certified laboratory for analysis. The laboratory will retain a sufficient portion of any positive sample for testing and store that portion in a scientifically-acceptable manner for a minimum 365-day period.

If an employee fails to provide a sufficient amount of urine to permit a controlled substance test (45 milliliters of urine), the collector will discard the insufficient specimen, unless there is evidence of tampering with that specimen. The collector will urge the driver to drink up to 40 ounces of fluid, distributed reasonably over a period of up to three hours, or until the driver has provided a sufficient urine specimen, whichever occurs first. If the driver has not provided a sufficient specimen within three hours of the first unsuccessful attempt, the collector will cease efforts to attempt to obtain a specimen. The driver must then obtain, within five calendar days, an evaluation from a licensed physician, acceptable to the MRO, who has expertise in the medical issues raised by the employee's failure to provide a sufficient specimen. If the licensed physician concludes the driver has a medical condition, or with a high degree of probability could have, precluded the driver from providing a sufficient amount of urine, the City will consider the test to have been canceled. If a licensed physician cannot make such a determination, the City will consider the driver to have engaged in a refusal to test, and will take appropriate disciplinary action under this policy.

The primary specimen is used for the first test. If the test is negative, it is reported to the MRO who then reports the result, following a review of the CCF Form for compliance, to the City. If the initial result is positive or non-negative, a "confirmatory retest" will be conducted on the primary specimen. If the confirmatory re-test is also positive, the result will be sent to the

MRO. The MRO will contact the driver to verify the positive result. If the MRO is unable to reach the driver directly, the MRO must contact the City who will direct the driver to contact the MRO.

19.7 REVIEW OF TEST RESULTS

The MRO is a licensed physician with knowledge and clinical experience in substance abuse disorders, and is responsible for receiving and reviewing laboratory results of the controlled substances test as well as evaluating medical explanations for certain drug test results. Prior to making a final decision to verify a positive test result, the MRO will give the driver or the job applicant an opportunity to discuss the test result, typically through a phone call. The MRO, or a staff person under the MRO's supervision, will contact the individual directly, on a confidential basis, to determine whether the individual wishes to discuss the test result. If the employee or job applicant wishes to discuss the test result:

- The individual may be required to speak and/or meet with the MRO, who will review the individual's medical history, including any medical records provided.
- The individual will be afforded the opportunity to discuss the test results and to offer any additional or clarifying information which may explain the positive test result. If the employee or job applicant believes a mistake was made at the collection site, at the labor, on a chain-of-custody form, or that the drug test results are caused by lawful substance use, the employee should tell the MRO.
- If there is some new information which may affect the original finding, the MRO may request the laboratory to perform additional testing on the original specimen in order to further clarify the results; and
- A final determination will be made by the MRO that the test is either positive or negative, and the individual will be so advised.

If the MRO upholds the positive, adulterated or substituted drug determination, that test result will be provided to the City. There is no opportunity to explain a positive alcohol test provided in the DOT regulations.

The driver can request the MRO to have the split specimen (the second "B" container) tested at the driver's expense. This includes all costs that may be associated with the re-test. There is no split specimen testing for an invalid result. The driver has 72 hours after they have been notified of the positive result to make this request. If the employee requests an analysis of the split specimen, the MRO will direct the laboratory to send the split specimen to another certified laboratory for analysis.

If an employee has not contacted the MRO within 72 hours, the employee may present information documenting that serious injury, illness, lack of actual notice of the verified test result, inability to contact the MRO, or other circumstances unavoidably prevented the

employee from making timely contact. If the MRO concludes there is legitimate explanation for the employee's failure to contact within 72 hours, the MRO will direct the analysis of the split specimen.

If the results of the split specimen are negative, the City may pay for all costs associated with the rest and there will be no adverse action taken against the employee or job applicant.

19.8 NOTIFICATION OF TEST RESULTS

Employees

The City will notify a driver of the results of random, reasonable suspicion, and post-accident tests for controlled substance if the test results are verified positive, and will inform the driver which controlled substance or substances were verified as positive. Results of alcohol tests will be immediately available from the collection agent.

Right to Confirmatory Retest

Within seventy-two (72) hours after receiving notice of a positive controlled substance test result, an applicant or driver may request through the MRO a re-analysis (confirmatory retest) of the driver's split specimen. Action required by federal regulation as a result of a positive controlled substance test (e.g., removal from safety-sensitive functions) will not be stayed during retesting of the split specimen. If the result of the confirmatory retest fails to reconfirm the presence of the controlled substance(s) or controlled substance metabolite(s) found in the primary specimen, or if the split specimen is unavailable, inadequate for testing or untestable, the MRO will cancel the test.

Dilute Specimens

Dilute Negatives Creatinine concentration of specimen is equal to or greater than 2 mg/dL, but less than or equal to 5 mg/dL. If the City receives information that a driver has provided a dilute negative specimen, the City will direct a recollection, pursuant to the MRO's direction, under direct observation.

19.9 CONSEQUENCES FOR DRIVERS ENGAGING IN PROHIBITED CONDUCT

1. Job Applicants

Any applicable conditional offer of employment will be withdrawn from a job applicant or employee seeking a transfer who refuses to be tested, or tests positive for controlled substance pursuant to this policy.

2. Employees

Drivers who are known to have engaged in prohibited behavior with regard to alcohol misuse or use of controlled substance, as defined earlier in this policy, are subject to the following consequences:

a) Removal from Safety-Sensitive Functions

No driver may perform safety-sensitive functions, including driving a commercial motor vehicle, if the driver has engaged in conduct prohibited by federal law.

No driver who is found to have an alcohol concentration of 0.02 or greater but less than 0.04 may perform or continue to perform safety-sensitive functions for the City, including driving a commercial motor vehicle, until the start of the driver's next regularly scheduled duty, but not less than twenty-four (24) hours following administration of the test.

If a driver tests positive under this policy, or is found to have an alcohol concentration of .02 or greater but less than .04, the driver will be removed from safety sensitive duties and escorted home; the driver should not drive home, but be escorted to his or her home. The driver will then be placed on vacation/PTO, for hours missed from work.

b) Notification of Resources Available

The City will advise each driver who has engaged in conduct prohibited by federal law, or who has a positive alcohol or controlled substance test, of the resources available to the driver, including but not limited to the City's EAP, in evaluating and resolving problems associated with the misuse of alcohol and use of a controlled substance, including the names, addresses, and telephone numbers of Substance Abuse Professionals and counseling and treatment programs. The City will provide this SAP listing in writing at no cost to the driver.

c) Discipline, up to and including discharge

The City reserves the right to impose whatever discipline, up to and including discharge, the City deems appropriate at its sole discretion, up to and including termination for a first occurrence, against drivers who violate applicable DOT regulations or this policy, subject to applicable personnel policies and collective bargaining agreements. Except as otherwise required by law, the City is not obligated to reinstate or requalify such drivers following a first positive confirmed controlled substance or alcohol test result.

d) Evaluation and Return to Duty Testing

Should the City wish to consider reinstatement of a driver who engaged in conduct prohibited by federal law and/or who had a positive alcohol or controlled substance test, the driver must undergo a SAP evaluation, participate in any prescribed education/treatment, and successfully complete return-to-duty alcohol test with a result indicating an alcohol concentration of less than 0.02 and/or or a controlled substance test with a verified negative result, before the driver returns to duty requiring

the performance of a safety-sensitive function. The SAP will determine what assistance, if any, the driver needs in resolving problems associated with alcohol misuse and controlled substance use and will ensure the driver properly follows any rehabilitation program and submits to unannounced follow-up alcohol and controlled substance testing.

e) Follow-Up Testing

If the driver passes the return-to-duty test, he/she will be subject to unannounced follow-up alcohol and/or controlled substance testing. The number and frequency for such follow-up testing will be as directed by the SAP and will consist of at least six tests in the first twelve months. These tests will be conducted under direct observation.

f) Refusal to Test

All drivers and applicants have the right to refuse to take a required alcohol and/or controlled substance test. If an employee refuses to undergo testing, the employee will be considered to have tested positive and may be subject to disciplinary action, up to and including termination. Refer to Refusing to Test provided earlier in this policy.

g) Responsibility for Cost of Evaluation and Rehabilitation

Drivers will be responsible for paying the cost of evaluation and rehabilitation (including services provided by a Substance Abuse Professional) recommended or required by the City or DOT regulations, except to the extent that such expense is covered by an applicable employee benefit plan or imposed on the City pursuant to a collective bargaining agreement.

h) Reporting to the FMCSA's CDL Drug and Alcohol Clearinghouse

In accordance with the Federal Motor Carrier Safety Administration's (FMCSA) Commercial Driver's License (CDL) Drug and Alcohol Clearinghouse reporting requirements beginning January 6, 2020, the City will report the following information to the Clearinghouse within three business days:

- A DOT alcohol confirmation test result with an alcohol concentration of 0.04 or greater;
- A negative DOT return-to-duty test result;
- The driver's refusal to submit to a DOT test for drug or alcohol use;
- Actual knowledge a driver has used alcohol or controlled substances, based on the employer's direct observation, information provided by the driver's previous employer(s), a traffic citation for driving a CMV while under the influence of alcohol or controlled substances, or an employee's admission of alcohol or controlled substance abuse except as provided in § 382.121 of:

- On duty alcohol use pursuant to § 382.205;
- Pre-duty alcohol use pursuant to § 382.207;
- Alcohol use following an accident pursuant to § 382.209;
- Controlled substance use pursuant to § 382.213;
- Employers will also report negative return-to-duty (RTD) test results and the successful completion of a driver's follow-up testing plan as ordered by a SAP.

19.10 LOSS OF CDL LICENSE FOR TRAFFIC VIOLATIONS IN COMMERCIAL AND PERSONAL VEHICLES

Effective August 1, 2005, the FMCSA established strict rules impacting when CDL license holders can lose their CDL for certain traffic offenses in a commercial or personal vehicle. Employees are required to notify their supervisor immediately if the status of their CDL license changes in anyway.

19.11 MAINTENANCE AND DISCLOSURE OF RECORDS (Revised 10/6/20)

Except as required or authorized by law, the City will not release driver's information that is contained in records required to be maintained by this policy or DOT regulations. Beginning in 2020, the city will be required to query and report to the agency's Commercial Driver's License (CDL) Drug and Alcohol Clearinghouse prior to hiring new drivers, will conduct annual checks of existing CDL-drivers, and will report certain violations of the DOT drug and alcohol testing program for holders of CDLs. Certain information related to tests are required to be available to prospective employers and state licensing authorities. In addition, a driver is entitled, upon written request, to obtain copies of any records pertaining to the driver's use of alcohol or a controlled substance, including any records pertaining to his or her alcohol or controlled substance tests.

19.12 POLICY CONTACT FOR ADDITIONAL INFORMATION

If you have any questions about this policy or the City's controlled substance and alcohol testing procedures, you may contact Emily Thamert in Human Resources at 507-774-7345 or emily.thamert@owatonna.gov to obtain additional information.

DEFINITIONS

Accident:

An incident involving a commercial motor vehicle in which there is either a fatality, bodily injury to any person who, as a result of the injury, immediately receives medical treatment away from the scene of the accident, or a vehicle being required to be towed from the scene.

The term "accident" does not include an occurrence involving only boarding and alighting from a stationary motor vehicle; an occurrence involving only the loading or unloading of cargo; or an occurrence in the course of the operation of a passenger car or a multipurpose passenger vehicle unless the vehicle is transporting passengers for hire or hazardous materials of a type and quantity that require the motor vehicle to be marked or placarded in accordance with federal regulations.

Alcohol Concentration (or Content):

The alcohol on a volume of breath expressed in terms of grams of alcohol per 210 liters of breath as indicated by an evidential breath test.

Alcohol Use:

The consumption of any beverage, mixture, or preparation, including any medication, containing alcohol.

Applicant:

A person applying to drive a commercial motor vehicle.

Breath Alcohol Technician or BAT:

An individual who instructs and assists individuals in the alcohol testing process and operates an evidential breath testing device (EBT).

City:

City of Owatonna.

City Premises:

All job sites, facilities, offices, buildings, structures, equipment, vehicles and parking areas, whether owned, leased, used or under the control of the City.

Collection Site:

A place designated by the City where drivers present themselves for the purpose of providing a specimen of their urine or breath to be analyzed for the presence of alcohol or controlled substances.

Commercial Motor Vehicle:

A motor vehicle or combination of motor vehicles used in commerce to transport passengers or property if the motor vehicle (1) has a gross combination weight rating or gross combination weight of 26,001 or more pounds, whichever is greater, inclusive of a towed unit(s) with a gross vehicle weight rating or gross vehicle weight of more than 10,000 pounds, whichever is greater; or (2) has a gross vehicle weight rating or gross vehicle weight of 26,001 or more pounds, whichever is greater; or (3) is designed to transport sixteen (16) or more passengers, including the driver; or (4) is of any size and is used in the transportation of materials found to be in the transportation of materials found to be hazardous for the purposes of the Hazardous Materials Transportation Act (49 U.S.C. 5103(b)) and which require the motor vehicle to be placarded under the Hazardous Materials Regulation.

Confirmation (or Confirmatory) Test:

For alcohol testing, a second test, following a screening test with a result of 0.02 grams or greater of alcohol per 210 liters of breath, that provides quantitative data of alcohol concentration. For controlled substance testing, "Confirmation (or Confirmatory) Test" means

a second analytical procedure to identify the presence of a specific controlled substance or metabolite which is independent of the screen test and which uses a different technique and chemical principal from that of the screen test in order to ensure reliability and accuracy.

Controlled Substance:

Marijuana, amphetamines, opioids, (including heroin), phencyclidine (PCP), cocaine, and any of their metabolites are included within this definition.

Department of Transportation or DOT:

The United States Department of Transportation.

DHHS:

The Department of Health & Human Services or any designee of the Secretary, Department of Health & Human Services.

Disabling Damage:

Damage which precludes departure of a motor vehicle from the scene of the accident in its usual manner in daylight after simple repairs, including damage to motor vehicles that could have been driven, but would have been further damaged if so driven. Disabling damage does not include damage which can be remedied temporarily at the scene of the accident without special tools or parts, tire disablement without other damage even if no spare tire is available, headlight or tail light damage or damage to turn signals, horn or windshield wipers which make them inoperative.

Driver:

Means any person who operates a commercial motor vehicle. This includes, but is not limited to full-time, regularly employed drivers; casual, intermittent or occasional drivers, leased drivers and independent owner-operator contractors who are either directly employed by or under lease to the City or who operate a commercial motor vehicle at the direction of or with the consent of the City. For purposes of pre-employment testing, the term driver includes a person applying to drive a commercial motor vehicle. 49 C.F.R. §382.107.

Drug:

Has the same meaning as "controlled substance."

Employee seeking a transfer:

Refers to an employee who is not subject to DOT regulations seeking a transfer to a position that will subject them to DOT regulations in the sought after position.

Evidential Breath Testing Device or EBT:

A device approved by the National Highway Traffic Safety Administration ("NHTSA") for the evidential testing of breath and placed on NHTSA's "Conforming Products List of Evidential Breath Measurement Devices."

Federal Motor Carrier Safety Administration or FMCSA:

Means the Federal Motor Carrier Safety Administration of the United States Department of Transportation

Medical Review Officer or MRO:

A licensed physician responsible for receiving and reviewing laboratory results generated by a controlled substance testing program who has knowledge of substance abuse disorders,

and has appropriate medical training to interpret and evaluate an individual's confirmed positive test result together with his or her medical history and any other relevant biomedical information.

Performing a Safety-Sensitive Function

Means any period in which a driver is actually performing, ready to perform, or immediately available to perform any safety-sensitive functions. 49 C.F.R. § 382.107

Positive Test Result:

A finding of the presence of alcohol or controlled substance, or their metabolites, in the sample tested in levels at or above the threshold detection levels established by applicable law.

Reasonable Suspicion:

Means a belief a driver has engaged in conduct prohibited by the FMCSA controlled substance and alcohol testing regulations, except when related solely to the possession of alcohol, based on specific contemporaneous, articulable observations made by a supervisor or City official who has received appropriate training concerning the appearance, behavior, speech or body odors of the driver. The determination of reasonable suspicion will be made in writing on a Reasonable Suspicion Record Form during, just preceding, or just after the period of the work day that the driver is required to be in compliance with this policy. In the case of a controlled substance, the observations may include indications of the chronic and withdrawal effects of a controlled substance.

Safety-Sensitive Function:

All time from the time a driver begins to work or is required to be in readiness to work until the time he or she is relieved from work and all responsibility for performing work. Safety-sensitive functions include:

- All time at a city plant, terminal, facility, or other property, or on any public property,
- waiting to be dispatched, unless the driver has been relieved from duty by the employer;
- All time inspecting equipment as required by 49 C.F.R. § 392.7 and 392.8 or otherwise inspecting, servicing, or conditioning any commercial motor vehicle at any time;
- All time spent at the driving controls of a commercial motor vehicle in operation;
- All time, other than driving time, in or upon any commercial motor vehicle except time spent resting in a sleeper berth (a berth conforming to the requirements of 49 C.F.R. § 393.76);
- All time loading or unloading a vehicle, supervising, or assisting in the loading or unloading, attending a vehicle being loaded or unloaded, remaining in readiness to operate the vehicle, or in giving or receiving receipts for shipments loaded or unloaded; and
- All time repairing, obtaining assistance, or remaining in attendance upon a disabled vehicle.

Screening Test (also known as Initial Test):

In alcohol testing, an analytical procedure to determine whether a driver may have a prohibited concentration of alcohol in his or her system. Screening tests may be conducted

by utilizing a non-evidential screening device included by the National Highway Traffic Administration on its conforming products list (e.g., a saliva screening device) or an evidential breath testing device ("EBT") operated by a trained breath alcohol technician ("BAT"). In controlled substance testing, "Screening Test" means an immunoassay screen to eliminate "negative" urine specimens from further consideration.

Substance Abuse Professional" or "SAP":

A licensed physician, licensed or certified psychologist, licensed or certified social worker, licensed or certified employee assistance professional, or licensed or certified addiction counselor (certified by the National Association of Alcoholism and Controlled Substance Abuse Counselors Certification Commission) with knowledge of and clinical experience in the diagnosis and treatment of alcohol and controlled substance-related disorders.

CHAPTER 20: FINANCE

20.1 PURCHASING POLICY AND PROCEDURES

(Revised 1/19/21)

The purpose of a purchasing policy is to encourage the efficient purchasing of appropriate goods or services at appropriate prices.

A. Purchasing Authority

All purchases must meet the following authorization guidelines. Payment on any invoice will not be processed without the appropriate level of authorization. The three levels of authorization will be designated staff, city administrator, and city council.

Any employee making purchases on behalf of the City, must have signed an Acknowledgment Agreement stating they have read the purchasing policies and understand that they are responsible for abiding by them.

All designated staff are authorized to make purchases up to \$5,000. Any purchase over \$5,000 must be approved by the City administrator prior to the purchase being made. See Exhibit A for a listing of designated staff.

The City Administrator is authorized to sign contracts and/or authorize purchases up to \$100,000 without council approval, per Minnesota State Statute. For any purchase in excess of \$100,000, council action will be required.

B. Purchasing Guidelines

Minnesota Statutes 471.345, the Uniform Municipal Contracting Law, was established to provide dollar limits for all municipalities upon contracts which shall or may be entered into on the basis of competitive bids, quotations, or purchase or sale in the open market. A municipality entering into an agreement for the **sale or purchase** of supplies, materials, equipment or the rental thereof, or the construction, alteration repair or maintenance of real or personal property must abide by the statutes relating to contracting and bidding. Generally, the following rules apply:

1. Contracts less than \$25,000 - The contract may be made either upon quotation or in the open market. If the contract is made upon quotation it shall be based on at least two quotations which shall be kept on file for a period of at least one year.
2. Contracts from \$25,000 to \$175,000 - The contract may be made either upon sealed bids or by direct negotiation, by obtaining two or more quotations for the purchase or sale, and without advertising for bids or otherwise complying with the requirements of competitive bidding. All quotations received shall be kept on file for a period of at least one year. Minnesota law now **requires** municipalities to consider the Cooperative Purchasing Venture (CPV) for contracts estimated to exceed \$25,000. For these

contracts, a municipality **must** "consider the availability, price and quantity of supplies, materials, or equipment available through the state's CPV before purchasing through another source."

3. To sign into the state's CPV: <http://www.mmd.admin.state.mn.us/process/contract/>. Contact the finance department if you need the secure sign-on information.
4. Contracts over \$175,000 - Contracts must be made by sealed bids, solicited by public notice, and awarded to the lowest bidder. Bids should be retained for a period of ten years. Purchasing through the Cooperative Purchasing Venture (CPV) satisfies these requirements.

C. Competitive Bidding

- Read the LMNC handbook Chapter 22 pages 22-30 for more detailed information on the competitive bidding process.
- LMC also has an information memo titled "Competitive Bidding Requirements in Cities".
- The notice that bids are being solicited must be published once in the city's official newspaper at least ten days before the last day for the submission for bids. As the number of people or firms receiving notification increases, so will the chance of receiving more favorable contract terms. Therefore, advertising in magazines and trade journals is encouraged. In addition, you may personally contact merchants or contractors who might be interested in submitting a bid.
- Purchasing through the state contract or another cooperative purchasing entity meets the competitive bidding requirements. If sealed bids are required, you are not allowed to consider the pricing available through the cooperative purchasing venture, but make the purchase through a vendor not authorized under the cooperative purchasing venture.
- Bid bonds in the amount of 5% of the bid are required for local improvement project bids.
- Performance and payment bonds are required for contracts that exceed \$100,000. The performance bond is to guarantee that the contractor will complete the contract according to its terms and conditions and to protect the city from all costs and charges that may accrue in the course of completing the work. The payment bond is to ensure that all workers, subcontractors, and persons furnishing materials are paid.

D. Tips for Writing Specifications

Properly designed and used specifications are absolutely necessary. A good specification should 1) identify all requirements; 2) be measurable and verifiable; 3) provide for an equitable award; and 4) allow for competitive responses. Keep the language simple, but exact. Specifications must be sufficiently definite and precise to afford a basis for comparable bids. Be fair to all vendors. For the sake of competition, the specification should be able to be met by more than one vendor. Have someone else review your specification for completeness.

E. Purchasing Procedures

The purchasing policy applies to all purchases made through the following means:

- Purchases made on account (to be invoiced)
 - Purchases made with direct payment
 - Employee reimbursement (Chapter 20 Finance, Section 20.2)
 - Use of a city credit card (Chapter 20 Finance, Section 20.3)
 - Petty cash (Chapter 20 Finance, Section 20.4)
1. There will be **NO** purchases of personal items, even if the employee intends to reimburse.
 2. Purchases must meet the public purpose criteria. See Exhibit B
 3. Payment will only be made from an itemized receipt or invoice. No summary statements will be accepted. Any exceptions must be approved by the finance director based on reasonableness.
 4. Determine approval requirements (**Purchase price includes installation, shipping, handling and sales tax. Purchase price is also before any trade-in reductions.**)
 - Items less than \$5,000 – only approval requirement is to stay within your budget.
 - Items greater than \$5,000
 - If the item was already specifically approved during the budget process, proceed with the appropriate guidelines in the purchasing policy, providing communication of your actions to the City Administrator as you go.
 - If the item is an unbudgeted item over \$5,000, you will need pre-approval from the City Administrator before you may proceed.
 - Items greater than \$100,000 must have council approval before you may proceed, including items purchased under state contract.
 5. Determine applicable purchasing guidelines to follow based on the estimated dollar amount of the purchase and follow those guidelines.

6. Check the state's website to see if the item is available under state contract (<http://www.mmd.admin.state.mn.us/>).
7. If item is available under state contract, you may also try to obtain local quotes (for items less than \$175,000).
8. Prepare a reasonable specification, if necessary.
9. Meet public notification requirements, if necessary.
10. Communicate your actions with the City Administrator throughout the entire purchasing process.
11. Follow appropriate procedures for sale/disposal of items replaced. The same guidelines apply for sales that apply for purchases. This applies to trade-ins also (even under the state contract).
12. Maintain copies of sealed bids and competitive quotes for the appropriate required amount of time.
13. Use the LMNC's handbook.
14. Remember, the goal is to always get the best value for the city.

F. Authorization Procedures

1. Each invoice should contain the initials of an authorizing party.
2. Each invoice should contain the account distribution and project number if applicable.
3. Designated authorizing parties may only authorize charges to their own department. If the account distribution is to another individual's department, that individual will need to authorize the purchase as well.
4. See Exhibit A for a listing of designated authorized staff.
5. The finance department will not process any disbursements, including petty cash disbursements without the appropriate authorizations.
6. For any purchases over \$100,000, please reference council resolution number authorizing the purchase.

20.2 EMPLOYEE REIMBURSEMENT POLICY AND PROCEDURES

The Employee Reimbursement process is one means of purchasing goods and services necessary for conducting City business.

A. Expenditure Limits for an Individual Purchase

No individual purchases allowed for over \$500 without pre-approval by the employee's department head or direct supervisor.

B. Funding Authorization

- The Employee Reimbursement Authorization Form (available on City Intranet) must include the appropriate funding codes.
- It is the responsibility of both the employee and approver to verify available funding levels prior to submitting to Finance for reimbursement.

C. Supporting Documentation

Employees must submit a completed signed Employee Reimbursement Authorization Form and the supporting documentation for the allowable business expenditures *within 30 days* of purchase to his/her supervisor for approval (prior to submission for payment). Each expenditure shall be substantiated by the following supporting documentation:

- Reason and purpose of the purchase, as well as why the item was not purchased via the normal purchase process (charges made on account – to be invoiced).
- Original receipts, which include vendor name, date of purchase, individually itemized with exact dollar amounts – no copies.
- Additional supporting documentation (packing slips, etc.) must also be original – no copies. This would include documentation of any pre-approval for expenditures over \$500.
- Employee signature which also acknowledges the business appropriateness of the expenditure.
- A copy of seminar registration materials for all travel related to conferences and training must be included indicating dates, times, location and if meals are included.

If original receipts and/or supporting documentation is unavailable (one occurrence per calendar year), the employee must provide written explanation and signed certification stating the reason the original is unavailable. Reimbursements requested without the required supporting documentation will not be processed. Unsubstantiated charges will be the employee's responsibility.

D. Review and Approval

Approval of an Employee Reimbursement Authorization request is required from the employee's supervisor and/or department head prior to reimbursement.

- The Approver's signature must be original – copies/stamped approvals are not acceptable, nor is delegation of the review.
- Approvers cannot approve own expenditures. If an Approver is part of a combined group expenditure, the highest-ranking employee in the group will submit the expenditure for approval to his/her supervisor.
- Expenditures of department heads are to be reviewed by the City Administrator, with original signatures. Approval authority cannot be delegated.
- Expenditures of the City Administrator are to be reviewed/approved by the Council President with original signatures. Approval authority cannot be delegated.
- Finance department will also review for completeness, supporting documentation, expenses in accordance with City policy and Minnesota state statute, and proper level of approvals prior to processing for payment.
- It is the responsibility of the Approver to ensure that the Employee Reimbursement Authorization Form is completed and that adequate documentation has been provided to support that the expenditure is a valid City expense. The Approver needs to review for:
 - Timely submission of reimbursement request (within 30 days from purchase); requests not submitted in a timely fashion will be the employee's responsibility;
 - Proper forms/documentation and reasons for purchase;
 - Mathematical accuracy;
 - Original detailed receipts;
 - Documentation of the pre-approval for expenditures over \$500, if applicable;
 - Signed Reimbursement Form;
 - Compliance with the City's policies (i.e. travel policy, if travel related)
 - Proper allocation of expense according to budget procedures and to the proper budget category; and
 - Escalation to the City Administrator of any expense that appears to be out of the ordinary (i.e. abnormally large expenses, poorly documented expenses, purchases not generally required for normal City business) for a more focused review.

When the approval is complete, the Approver submits the reimbursement request and documentation to the Finance Department for processing. This process needs to be completed *within ten days* from the time that the employee submits the Employee Reimbursement Authorization Form to their supervisor.

E Reimbursement/Payment Process

- The expenditure is processed for payment after the supporting documentation has been properly reviewed, approved, and received by the Finance Department as indicated in Section D above. The Finance Department will verify that the Employee Reimbursement Authorization Form has been completed and that original supporting documentation matches the reimbursement amount before processing the payment.

- Payments will be processed as part of the City's normal claims processing. All claims received prior to 10 a.m. of the Wednesday prior to each council meeting will be processed for payment the following week.

F. *Acknowledgement Agreement*

Employees are required to sign an Acknowledgement Agreement indicating that they accept the terms of this Employee Reimbursement Policy. Failure to comply with this Policy and related procedures may make the employee accountable for any questionable expenditures and subject to disciplinary action up to termination of employment.

G. *Unallowable Types of Expenditures:*

Below is a listing of expenditures that are not considered appropriate when conducting City business. This list is intended to reduce the risk of inappropriate expenditures being paid with taxpayer dollars. This listing is in accordance with the Minnesota State Statute on public purpose expenditures. This listing is not intended to be an exhaustive listing of all unallowable expenditures. If in doubt about a potential expenditure, the employee should discuss with the City Administrator or Finance Director.

Unallowable/Restricted Expenditure Types

- Refreshments/Food (for routine staff meetings)
- Food, supplies or other costs (for employee events/holiday parties/birthdays)
- Gifts/Flowers/Gift Cards
- Alcoholic Beverages/Tobacco Products/Controlled Substances
- Personal Items
- Sponsorship/Donations
- Entertainment/Recreational Activities
- Appliances (e.g. microwaves, dishwashers, refrigerators, coffee makers)
- Kitchen Textiles (e.g. napkins, cups, utensils used in break rooms)
- Office Décor Items
- Traffic Citations/Parking Violations/Fines and Penalties
- Car Washes
- Supplies and materials (for which the City has a more economical purchasing option)
- Any other item deemed inappropriate/unnecessary for conducting City business

20.3 EMPLOYEE CITY CREDIT CARD USE POLICY AND PROCEDURES

A City of Owatonna credit card is one means of purchasing goods and services necessary for conducting City business. The City of Owatonna authorizes the use of a credit card in limited circumstances. They are not to be used as a regular vehicle with which to conduct City business. With the exception of expenditure limits, this policy also applies to charges made on account by any of the City's employees.

A. *Expenditure Limits for Credit Card Use*

The standard limits put in place shall be \$1,500 for a single purchase maximum and \$5,000 for the monthly spending maximum. Actual limits may be set by a department head as they deem necessary. Any exceptions in excess of the standard maximums must be approved by the City Administrator.

B. *Funding Authorization*

- The supporting documentation provided for each charge must include the appropriate funding codes.
- It is the responsibility of both the employee and approver to verify available funding levels prior to submitting to Finance for payment.

C. *Supporting Documentation*

Employees must submit supporting documentation for the allowable business expenditures within 5 days of receiving the monthly statement to his/her supervisor for approval (prior to submission for payment). Each expenditure shall be substantiated by the following supporting documentation:

- Reason and purpose of the purchase, as well as why the item was not purchased via the normal purchase process (charges made on account – to be invoiced).
- Original receipts, which include vendor name, date of purchase, individual itemized with exact dollar amounts – no copies.
- Additional supporting documentation (packing slips, etc.) must also be original – no copies.

If original receipts and/or supporting documentation is unavailable (one occurrence per calendar year), the employee must provide written explanation and signed certification stating the reason the original is unavailable. Any charges that are not supported by detailed receipts will be the cardholder's responsibility.

D. *Purchases*

- Credit cards will only be used by those individuals otherwise authorized to make purchases on behalf of the City.
- Credit cards will only be used for City business purposes; personal expenditures of any type are strictly prohibited.
- Cash advances are prohibited.
- Purchases of any meals with the credit card is prohibited. These should be handled through employee reimbursement.
- All credit card purchases must be in compliance with the existing City purchasing policy and procedures.
- Use by anyone other than the cardholder is not recommended. The only person entitled to use a credit card is the person whose name appears on the face of the card.

If the cardholder delegates that right, they are still ultimately responsible for any charges made with the card.

E. Disputed Charges

Billing discrepancies can result from, but are not limited to, failure to receive goods or services that were charged, duplicative or altered charges, defective merchandise, error, misuse, and fraud. The cardholder is responsible for following up with the vendor and/or bank on any disputed charges. The cardholder will be held accountable for all charges unless the charges have been properly disputed.

F. Lost or Stolen Card

Lost or stolen cards must be reported immediately to the credit card company and also the Finance Department.

G. Acknowledgement Agreement

Employees are required to sign an Acknowledgement Agreement indicating that they accept the terms of this Credit Card Use Policy. Failure to comply with this Policy and related procedures may make the employee accountable for any questionable expenditures and subject to disciplinary action up to termination of employment.

H. Credit Card User's Agreement

Employees that are issued credit cards in their name are required to sign a User's Agreement indicating that they accept the terms of the User's Agreement. Failure to comply with this agreement may make the employee accountable for any questionable expenditures and subject to disciplinary action up to termination of employment.

20.4 PETTY CASH POLICY AND PROCEDURES

Petty Cash is available for small, non-recurring purchases. It shall only be used for the payment of a claim if it is impractical to pay the claim in any other manner.

A. Expenditure Limits for an Individual Purchase

No individual purchases allowed for over \$50.

B. Funding Authorization

The Petty Cash Voucher Form (available on the City Intranet) must include the appropriate funding codes and approvals.

C. Supporting Documentation

Employees must submit a completed signed Petty Cash Voucher Form and the supporting documentation for the allowable business expenditures to the custodian of the petty cash. Each expenditure shall be substantiated by the following supporting documentation:

- Reason and purpose of the purchase, as well as why the item was not purchased via the normal purchase process (charges made on account – to be invoiced).
- Original receipts, which include vendor name, date of purchase, individual itemized with exact dollar amounts – no copies.
- Additional supporting documentation (packing slips, etc.) must also be original – no copies.
- Employee signature which also acknowledges the business appropriateness of the expenditure.

D. Review and Approval

Any petty cash purchase must be approved according to the City's purchasing procedures.

- The Approver's signature must be original – copies/stamped approvals are not acceptable, nor is delegation of the review.
- Approvers cannot approve own expenditures. If an Approver is part of a combined group expenditure, the highest-ranking employee in the group will submit the expenditure for approval to his/her supervisor.
- Expenditures of department heads are to be reviewed by the City Administrator, with original signatures. Approval authority cannot be delegated.

It is the responsibility of the Approver to ensure that the Petty Cash Voucher Form is complete and that adequate documentation has been provided to support that the expenditure is a valid City expense. The Approver needs to review for

- Proper forms/documentation and reasons for purchase;
- Mathematical accuracy;
- Original receipts;
- Proper allocation of expense according to budget procedures and to the proper budget category; and
- Escalation to the City Administrator of any expense that appears to be out of the ordinary (i.e. abnormally large expenses, poorly documented expenses, purchases not generally required for normal City business) for a more focused review.

E. Ineligible Petty Cash Purchases

- If the purchase is for something that could be purchased through the normal procurement process (charges made on account – to be invoiced), petty cash is not to be used.
- If the purchase is for an item that should be handled through the employee reimbursement, petty cash is not to be used (i.e. meals, postage, travel expenses).
- State statute prohibits the use of petty cash for salaries or personal expenses of an employee.

F. Custody of Petty Cash

The custodian of petty cash must keep the petty cash in a locked desk, safe, or file cabinet to which access is limited.

G. *Unannounced Audits of Petty Cash*

The custodian must be prepared for unannounced audits of petty cash. At any time, the amount of cash on hand plus any petty cash vouchers, should equal the amount of the approved petty cash.

Designated Staff Authorized to Approve Purchases \$5,000 or Less - Exhibit A (Revised 11/02/21)

Finance Director
Director of Human Resources
Police Chief
Police Captains
Fire Chief
Community Development Director
Community Development Manager
Airport Manager
Housing Manager
Building Official
City Engineer
Assistant City Engineer
Wastewater Manager
Director of P&R and Govt Bldgs
Recreation Manager
Maintenance Manager
Maintenance Foreman
Director of Library Services
Asst Library Director
Librarian
Director of Information Technology
Communications Manager

Public Purpose Expenditure Chart - Exhibit B

This chart provides a summary of tests a public expenditure should meet in order to be valid. If an expenditure does not pass all of the following questions, the expenditure may be doubtful. In this case, a city should consult its city attorney before making the expenditure.

Test	Answer	Public expenditure NOT authorized	Public expenditure authorized
Does a statute or charter provision specifically or implicitly authorize the specific expenditure?	Yes		
	No		
Does the expenditure benefit the community as a whole?	Yes		
	No		
Is the expenditure directly related to the functions of government?	Yes		
	No		
Does the expenditure have as its primary objective the benefit of a private interest?	Yes		
	No		

20.5 CASH HANDLING POLICY AND PROCEDURES

The City has numerous functions and responsibilities that require it to exchange cash with members of the public. The purpose of a cash handling policy is to assist all City departments by defining and communicating what is an acceptable level of control for cash handling operations. This policy will provide rules and guidance for all departments.

A. Purpose

Due to the decentralized nature of revenue collection within the City, procedures vary from location to location. Although the customer service impact of this structure is positive, it creates a challenge in ensuring adequate controls are in place.

The objectives of this policy are to set forth minimum standards to ensure clear and consistent practice within the City for handling of cash and for limiting not only the City's losses, but also the City's involvement in investigation of losses of funds. This policy will serve to standardize a sound system of cash controls within the City as well as to provide guidance to departments on improving their cash handling skills and accountability. Additionally, this policy incorporates providing assistance to departments that need help in meeting the minimum standards. Overall, compliance with this policy will allow the City to prevent or detect losses related to cash handling and to assign responsibility to an individual in a timely manner in order to minimize losses.

The ability to ascertain individual accountability for each loss will reduce the impact of failing to protect honest employees from unnecessary suspicion. A sound system of cash controls should protect and support employees who do their job with integrity. Employees not involved with cash errors and/or irregularities deserve to work in an organization that insists on a control system that can show their innocence when errors and/or irregularities do occur.

Specifically, this policy is designed to avoid the following types of circumstances:

1. A loss of funds
2. An inability to detect missing funds
3. Detection of missing funds when recovery is no longer possible
4. An inability to determine who is responsible for the loss
5. An inability to investigate losses.

B. Responsibilities

The resources of the City are assets held in trust for its taxpayers. Every employee, from a frontline cashier to a department director, is responsible to protect the assets of the City. A clear responsibility lies with management to install and maintain a cash handling control system that will prevent, detect, and deter fraud and losses.

1. Department Directors have the responsibility to:

- a) Ensure the safeguarding of City funds.
- b) Require clearly written and approved procedures for all areas of their department's cash handling operation.
- c) Ensure that procedures in place in their departments comply with this policy.
- d) Assume accountability for exceptions to and deviations from this policy.
- e) In the event of a loss, assure compliance with the procedures detailed in this policy statement.
- f) Consult with the finance department regarding new cash handling processes before implementation (e.g. credit cards, e-commerce, etc.).

2. Cashiers have the responsibility to

- a) Use due diligence in handling City assets so that reasonable protection is provided to those assets at all times.
- b) Report to their departmental management, or to the City Finance Director, any instance that is deemed to be a serious failure to give proper care to City cash, inventory or other valuables, whether or not such failure has resulted in a loss.
- c) Report to their departmental management, or to the City Finance Director, any situation in which they're being asked to work in an environment that does not provide adequate cash controls (i.e. lack of security over user names and passwords on POS software, lack of security over cash, etc.)
- d) Report to their departmental management, or to the City Finance Director, any instance where a City employee has knowledge or suspicion of a misuse of funds or dishonest act by another City employee.

3. Finance Department has the responsibility to:

- a) Conduct whatever investigation or cash control reviews deemed necessary.
- b) Prepare, distribute and provide any necessary training on the cash handling procedures.
- c) Coordinate and collaborate with the Owatonna Police Department as appropriate.
- d) Review deposits and activity from all departments documenting exceptions to and deviations from this policy.
- e) Upon request, assist departments with developing controls to mitigate the potential effects of necessary exceptions or deviations from this policy.

C. Minimum Standards for Cash Handling

1. Receiving and processing funds.

Procedures must be in place, which will ensure that all payments received are processed and that any payment may be traced from the initial receipt to final deposit. Each cash handling operation will include the following controls, unless otherwise approved in writing by the City Finance Director.

- a) Maintain strict control over all receipt documents, both issued and unused.

- b) Use pre-numbered and sequentially numbered receipts, either manual, cash register or POS generated, for all money received.
- c) At a minimum, when issuing manual receipts, use triplicate receipts to allow for a customer copy, cashier copy and a copy that will remain in the manual receipt book.
- d) Have a space for indicating mode of payment, e.g. cash, personal check, credit card or other.
- e) Ensure that receipts are signed or initialed by the person issuing the receipt. For POS transactions, the cashier for each transaction must be the person signed into the software program.
- f) Encourage all customers to obtain receipts for their payments.
- g) For some concession and vending machine sales, receipts are not feasible. In this case, cash is controlled through tight inventory control.
- h) Have a separate cash box/drawer/register for each cashier whenever possible. Shared drawers or cash registers accessed by more than one individual do not provide accountability to any one individual. This may be difficult in some departments, but it is the preferred method.
- i) Maintain strict control over the access to funds. Never leave cash or checks unsecured.
- j) All cash receipts must be entered. No receipts may be used for making purchases. All purchases must adhere to the purchasing policy discussed in Chapter 20.
- k) Refunds should not be made out of receipts. Refunds should be processed through the finance department. The only exception to this is if the receipt was just written and the payment for that receipt has not been deposited yet. It would then be treated as a void transaction.
- l) It is not allowable for an employee to borrow funds from petty cash or cash receipts, even temporarily. There will be no borrowing allowed under any circumstance.
- m) It is not allowable for an employee to give discounts to other employees under any circumstance.
- n) Employees will not process their own transaction or transactions for friends or relatives.
- o) All voids/returns/credits must be appropriately documented (customer name, reason, amount, employee processing) and must be approved by a supervisor.

2. Safeguarding funds.

Strict control must be maintained over the access to funds at all times. It is the City's policy that access to safes and cash drawers shall be limited and controlled including:

- a) Individuals handling cash must be provided separate and secure work areas.
- b) Private areas must be provided for cash reconciliation and deposit preparation. Only authorized individuals will be authorized in cash handling areas.

- c) Each cashier is responsible to see that their cash drawer is locked when they leave their station, regardless of the time period. No funds are to be left unattended and unsecured. During non-business hours and during business periods where access to cash is not required, all funds are required to be stored in a locked drawer or safe.
- d) Do not leave the cash register keys in the locks. These must be secured elsewhere.
- e) Drawers and safes must be positioned so that they are not visible to the general public.
- f) Safe combinations must be limited to the smallest number of individuals practicable, given the business needs of the department.
- g) Safe combinations must never be written down in the cash handling area. Safe combinations held by individuals who serve as back up to the everyday users of the safe, who may need to write down the combination, must keep the combination offsite or on their person.
- h) When an individual who knows the vault combination leaves City employment, the safe conditions have changed.

3. Reconciling and depositing funds

Each cashier must reconcile on a daily basis. Both starting and ending cash will be counted each day and documented. You may use your own form for documentation or there is an Employee Reimbursement Authorization form available on City Intranet. If there are missing funds, this process will narrow down the period of time that will need to be considered in the investigation of the missing funds. If there are missing funds, contact your department director immediately. The department director should in turn contact the finance department.

Funds should be remitted to finance on a daily basis. All funds must be reconciled to a cash receipts report. Any cash over/short must be identified on the receipts report submitted to finance.

All deposits remitted to finance should be signed by the individual completing the deposit.

4. Training and evaluating cashier positions

All individuals required to handle City funds must be properly trained to do so. Individual departments are responsible for ensuring that the policies and procedures are adhered to. The finance department is available to assist as requested.

All individuals required to handle City funds will be observed and/or questioned on a periodic basis and will be measured against the performance standards specified in this policy.

D. Cash Handling Procedural Guidelines

1. Currency and coin transactions:

- Always keep money received in full view of the customer.
- Always complete the transaction before placing money in cash drawer.
- Do not accept mutilated currency (less than half of the original intact) or Canadian and other foreign coins.
- Examine currency for counterfeit purposes. Use counterfeit money detector pen for all currency greater than \$20 and for any currency that is questionable.

2. Checks:

- Checks should be made payable to the "City of Owatonna"
- Cashier must place a restrictive endorsement on the checks as soon as they are received. A "For deposit only" stamp has been provided to all departments.
- Checks will be accepted for the amount of the purchase only. There will not be cash back given in any check transaction.
- Postdated checks should not be accepted for payment.
- The cash handling accounts of the City are designed for transacting business and should not be used as a check cashing fund for employees or others.
- Verify identity of the check writer for all personal checks.
- Review check for completeness and accuracy. Make sure the check is signed. Make sure the written amount and numerical amounts agree.

3. Credit/debit card transactions:

- Due to the rules and regulations of the Payment Card Industry (PCI), all employees with access to card holder data must have read the City's Merchant Security Policy (Exhibit A) and signed a statement stating such. These are to be stored at the department level.
- Verify the expiration date of the card has not expired.
- Ask for photo ID and compare the name on the card, as well as verify that the picture belongs to the person offering the card.
- Keep the card until the customer signs the charge slip and compare the signature with the signature on the back of the card. If the back of the card is not signed, you will need to compare the signature with the signature on their driver's license.
- Credit cards will be accepted for the amount of the purchase only. There will not be cash back given in a credit/debit card transaction.

E. Closing Activity

At the end of the shift, the cashier will need to account for all increases and decreases of cash in the cash drawer. This process is referred to as "Cashing Out". All monies received are to be deposited intact and in a timely fashion. Intact means that the total cash received must match the total cash deposited and total checks received must match the total checks deposited.

- Generate a report that details out the daily sales.
- Add the total sales amount to the beginning cash amount. This is the total amount of cash you should have on hand.
- Count all of the currency and coin. It should be counted as many times as it takes to get the same total twice.
- Run a tape of all checks and credit card transactions. (Checks should already have been restrictively endorsed, as discussed in the Cash handling procedural guidelines.)
- Fill out the cashing out document as stipulated by your department.
- Remove the necessary cash and coin for your next day's starting cash.
- Indicate any cash over/short on the cashing out document.
- Submit the adding machine tapes of your money counts (currency, coin, checks and credit/debit cards) which agree to your daily deposit.
- Submit all supporting documentation with your deposit including such items as coupons, gift certificates, approved voids/credits and any other items necessary to completely reconcile your deposit.
- Sign and date the cashing out document prior to submitting it to the finance department.

There are times where the cashing out process results in a discrepancy. Every reasonable effort should be made to locate any cash differences. Regardless of the amount of the overage/shortage, always do the following:

- Recount your money
- Check the beginning cash figure
- Rerun totals on the receipts
- Compare checks to the transactions completed with checks
- Compare credit/debit card transactions to the transaction completed with credit/debit cards
- If your difference is divisible by 9, you could have a transposition error (i.e. 91 vs. 19).
- Check the floor and area around where you are working for items that may have fallen off of your work area.
- Review your transactions for the amount of the discrepancy.
- Ask a second person to recount. Sometimes a new set of eyes is all it takes.
- **Under no circumstances shall an employee take or supplement money to be deposited in order to force the deposit to balance with the receipts.**
- **Under no circumstances shall a city office or department maintain a "slush fund" of money in order to accumulate overage amounts or pay shortage amounts.**

Merchant Security Policy

Introduction

This document explains the City of Owatonna's credit card security requirements as required by the Payment Card Industry Data Security Standard (PCI DSS) Program. The City of Owatonna is committed to these security policies to protect information utilized by its employees in conducting business. All employees are required to adhere to the policies described within this document. The PCI requirements follow:

1. Build and maintain a secure network
2. Do not use vendor-supplied defaults for system passwords and other security parameters
3. Protect stored cardholder data
4. Encrypt transmission of cardholder data across open, public networks
5. Use and regularly update anti-virus software or programs
6. Develop and maintain secure systems and applications
7. Restrict access to cardholder data to only those that need to know
8. Assign a unique ID to each person with computer access
9. Restrict physical access to cardholder data
10. Regularly test security systems and processes
11. Maintain a policy that addresses information security for employees and volunteers

Ethics and Acceptable Use Policies

The City of Owatonna expects that all employees, including volunteers, conduct themselves in a professional and ethical manner. An employee should not conduct business that is unethical or illegal in any way, nor should an employee influence other employees to act unethically or illegally. Furthermore, an employee should report any dishonest activities or damaging conduct to an appropriate supervisor.

Security of information is extremely important related to credit card transactions. We are trusted by our customers to protect sensitive information that may be supplied while conducting business. Sensitive information is defined as any personal information (i.e. – name, address, phone number, e-mail, Social Security number, driver's license number, bank account, credit card numbers, etc.) or City information not publicly available (i.e. clients, financial information, employee information, schedules, technology, etc.). It is important the employees do not reveal sensitive information about the City of Owatonna or our customers to outside resources that do not have a need to know such information.

Protect Stored Data

Protect sensitive information stored or handled by the City of Owatonna and its employees. All sensitive information must be stored securely and disposed of in a secure manner when no longer needed for business reasons. Any media (i.e. – paper, floppy disk, backup tape, computer hard drive, etc.) that contains sensitive information must be protected against unauthorized access. Media no longer needed must be destroyed in such a manner to render sensitive data irrecoverable (i.e. – shredding, degaussing, disassembly, etc.).

Credit Card Information Handling Specifics

- Destroy cardholder information in a secure method when no longer needed. Media containing card information must be destroyed by shredding or other means of physical destruction that would render the data irrecoverable (shred, degauss, etc.).
- It is prohibited to store the contents of the credit card magnetic stripe (track data) on any media whatsoever.
- It is prohibited to store the card-validation code (3 or 4 digit value printed on the signature panel of the card) on any media whatsoever.
- All but the last 4 numbers of the credit card account number must be masked (i.e. – x's or *'s) when the number is displayed electronically or on paper.

Protect Data in Transit

Cardholder data sent across open, public networks must be protected through the use of strong cryptography or security protocols (i.e. IPSEC, SSLTLS). Sending unencrypted primary account numbers by end-user messaging technologies is prohibited. Examples of end-user technologies include email, instant messaging and chat.

Restrict Access to Data

Restrict access to sensitive information (business data and personal information) to those that have a need-to know. No employees should have access to credit card account numbers unless they have a specific job function that requires such access.

Physical Security

Restrict physical access to sensitive information, or systems that house that information (ex. Computers or filing cabinets storing cardholder data), to protect it from those who do not have a need to access that information. Media is defined as

any printed or handwritten paper, received faxes, floppy disks, back-up tapes, computer hard drive, etc.

- Media containing sensitive information must be securely handled and distributed.
- Media containing stored sensitive information (especially credit card account numbers and social security numbers) should be properly inventoried and disposed of when no longer needed for business by deleting, shredding, or degaussing before disposal.
- Visitors should always be escorted and easily identifiable when in areas that may contain sensitive information.
- Password protected screen savers should always be used on any computers that may contain sensitive information.

Security Awareness and Procedures

Keeping sensitive information secure requires periodic training of employees and contractors to keep security awareness levels high. The following City policies and procedures address this issue:

- Hold period security awareness training meetings of employees and contractors to review correct handling procedures for sensitive information.
- Employees are required to read this security policy and verify that they understand them by signing an acknowledgement form.
- All third parties with access to credit card account numbers are contractually obligated to comply with card association security standards (PCI/DSS).
- City security policies must be reviewed periodically and updated as needed

Security Management/Incident Response Plan

The finance director has been designated as the security officer. The security officer is responsible for communicating security policies to employees and contractors and tracking the adherence to policies. In the event of a compromise of sensitive information, the security officer will oversee the execution of the incident response plan.

Incident Response Plan

1. If a compromise is suspected, alert the information security officer.
2. Security officer will conduct an initial investigation of the suspected compromise.
3. If compromise of information is confirmed, the security officer will alert management and begin informing parties that may be affected by the

compromise. If the compromise involves credit card account numbers perform the following:

- Contain and limit the extent of the exposure by shutting down any systems or processes involved in the compromise.
- Notify applicable card associations (VISA, Mastercard)
- Alert necessary parties (Merchant Bank, law enforcement)



CITY OF
OWATONNA

Miscellaneous



DATE: November 6, 2024
TO: Mayor and City Council
FROM: Emily Thamert, Human Resources Director
SUBJECT: Compensation Adjustments - Non-Union Employees

Purpose:

Council approval of 2025-2027 wage and benefit increases for non-union employees.

Background:

Based on the wage and benefit adjustments reached with the MPEA-Police Officers and MPEA-Sergeants, I am recommending the same wage and benefit adjustment for the non-union employees to maintain consistency and fairness. A summary of the proposed changes are as follows:

- **Wages** - General wage increase on the approved wage scale 5% effective January 1, 2025; 4% effective January 1, 2026; 4% effective January 1, 2027. Add a step to the top of the scale and remove the bottom effective January 1, 2026. Employees that have remaining steps on the wage scale will receive a step effective January 1 each year 2025-2027.
- **Insurance** - Monthly employer contribution towards premiums increased by \$18 (single) and \$50 (family) effective 2025; \$36 (single) and \$102 (family) effective 2026; \$26 (single) and \$72 (family) effective 2027. Annual employer contribution towards Health Savings Account increased by \$200 (single) and \$400 (family) effective 2026 and 2027.

Budget Impact:

The budget impact to implement the 2025-2027 proposed increases for non-union employees is \$1,804,153.

Staff Recommendation:

Staff recommends approval of the proposed increases for 2025-2027 for the non-union employee group.

Attachments:

None



DATE: November 6, 2024
TO: Mayor and City Council
FROM: Emily Thamert, Human Resources Director
SUBJECT: HealthiestYou Service Agreement

Purpose:

Council approval of the service agreement with HealthiestYou.

Background:

HealthiestYou by Teladoc is a mobile virtual care app providing convenient access to high quality everyday health care services via phone or video. HealthiestYou provides a comprehensive suite of healthcare services including: general medical, expert medical services, mental health, back care, dermatology, and nutrition. It is an affordable way for the City to enhance convenient care options for employees enrolled in the City's medical insurance.

Budget Impact:

The budget impact for implementing HealthiestYou in 2025 will be \$13,800.

Staff Recommendation:

Staff recommends approval of the HealthiestYou Service Agreement.

Attachments:

1. HealthiestYou Service Agreement

TELADOC HEALTH SERVICES AGREEMENT

This **Teladoc Health Services Agreement** (“**Agreement**”) is entered into on **January 1, 2025** (“**Effective Date**”), by and between **Teladoc Health, Inc.** (“**Teladoc Health**”) and **CITY OF OWATONNA** (“**Employer**”). Teladoc Health and Employer shall be referred to herein as the “**Parties**” and each individually as a “**Party**”.

Introduction

A. Teladoc Health provides (i) a suite of telehealth services, (ii) a suite of expert medical information services, and (iii) a suite of online health coaching programs related to the management of chronic health conditions, as more fully described in the Exhibit(s) and/or Addendum(s) (collectively “**Exhibits**”) incorporated in this Agreement (such services and programs, the “**Services**”).

B. Employer desires to purchase the Services for use by certain of its employees (“**Employees**”) and their eligible dependents (“**Eligible Dependents**”) as an additional benefit in connection with Employer’s employee benefits program. “**Eligible Dependent**” means a “dependent,” as defined under the Internal Revenue Code, I.R.C. § 152, or as may be mutually agreed between the Parties. Employees and Eligible Dependents are referred to as “**Member(s)**”.

Terms and Conditions

1. Scope.

This Agreement sets forth the terms and conditions under which Teladoc Health will provide the Services to Employer. Employer agrees to provide access to the Services to all Members and to inform the Members regarding the availability of the Services as provided in this Agreement. The specific Services that Employer has engaged Teladoc Health to provide, as well as the specific terms and conditions applicable to the provisions of those Services, are described in the attached Exhibit(s), which are incorporated by reference and made a part of this Agreement.

Capitalized terms used but not separately defined in the Exhibits shall have the meanings assigned to them in this Agreement. In the event of a conflict between terms set forth in this Agreement and the terms of an Exhibit or Attachment to the Agreement, the terms of the Exhibit or Attachment will govern.

2. Term and Termination; Survival. This Agreement commences on the Effective Date and will continue in force until all Exhibits have terminated or expired (“**Term**”), unless terminated earlier as outlined below; *provided, however*, that the provisions of Section 3 (*Intellectual Property Rights*), Section 5 (*Protected Health Information; Confidential Information*), Section 7 (*Indemnification; Limitations of Liability*), and Section 11 (*Miscellaneous*), as well as any other provision that contemplates performance or observance subsequent to the expiration or termination of this Agreement shall survive any expiration or termination of the Agreement. Either Party may terminate this Agreement and/or any Exhibit (a) for the other Party’s material breach of the Agreement or an Exhibit, which breach has not been cured, or cannot reasonably be cured, within thirty (30) days after receipt of written notice by the non-breaching Party; or (b) for the other Party’s Insolvency. In addition, Teladoc Health may terminate this Agreement and/or any Exhibit if (i) a change in law or regulation would, in the reasonable

opinion of Teladoc Health, make the Services to be provided unlawful or impracticable and (ii) the Parties are unable to agree on amendments to this Agreement and/or the affected Exhibit to mitigate the effects of such change in law or regulation within thirty (30) days of Teladoc Health’s notice to Employer of its intent to terminate this Agreement and/or the applicable Exhibit. For the purposes of this Agreement, “**Insolvency**” means that the other Party files or is subject to any voluntary or involuntary bankruptcy, receivership, or assignment for the benefit of creditors or similar proceeding. Termination of an Exhibit will not affect any other Exhibit then in effect but termination of this Agreement will result in immediate termination of all Exhibits then in effect.

3. Intellectual Property Rights.

3.1 Employer acknowledges that all materials relating to the Services that are developed by or on behalf of Teladoc Health including those provided to Employer by Teladoc Health (including, without limitation, any software, systems, certain methods, devices, equipment and communication and/or Member engagement materials referred to in the attached Exhibit(s)) included as part of the Services, and all trade names, service marks, trademarks and logos that are owned by Teladoc Health, and such other trade names, trademarks and logos as may be used hereafter by Teladoc Health in connection with its business (the “**Teladoc Health Marks**”) are the unique intellectual property of Teladoc Health (the “**Intellectual Property**”), and Employer agrees that it will not: (a) duplicate the Services in any format that would, in whole or in part, infringe upon the intellectual property rights of Teladoc Health, and will not use the Intellectual Property in any manner other than pursuant to this Agreement; (b) distribute, rent, sell, lease, or grant a sublicense or otherwise display, disclose, transfer, or make available the Services to any parties other than Members; (c) modify, change, reverse engineer, decompile or disassemble, the software underlying the Services or

otherwise attempt to discover any such software source code or underlying Confidential Information; (d) work around any technical limitations, security devices or other restrictions in the Services; or (e) remove, efface, or obscure any copyright notices, logos, or other proprietary notices or legends (whether of Teladoc Health or its licensors) from the Services.

3.2 Pursuant to the terms of this Agreement and only in a manner that has been approved by Teladoc Health in advance, Teladoc Health grants Employer a limited, non-exclusive, non-transferable, revocable license to use the Teladoc Health Marks in communications with its Employees regarding the Services during the Term. Teladoc Health agrees that, if applicable, Employer may describe the Services in its health benefits plan materials, provided that any such descriptions are approved in advance by Teladoc Health.

3.3 Employer hereby grants to Teladoc Health a limited, non-transferable, fully-paid, worldwide, non-exclusive right and license to use, reproduce, adapt, incorporate, integrate, and distribute Employer's trade names, trademarks, and logos in connection with its promotion and delivery of the Services to Members, during the Term, solely as necessary to perform its obligations under this Agreement.

4. No Joint Undertaking. Teladoc Health and Employer are and shall at all times function as independent contractors under this Agreement, and neither Teladoc Health nor Employer is authorized to assume or create any obligations or liabilities, express or implied, on behalf of or in the name of the other Party, except to the extent otherwise specifically contemplated herein. The employees, agents, representatives, providers, methods, facilities and equipment of a Party shall at all times be under the exclusive direction and control of that Party.

5. Confidential Information.

5.1 For purposes of this Agreement, "**Disclosing Party**" shall mean the Party that discloses any Confidential Information, as defined below, to the other Party to this Agreement, and the "**Receiving Party**" shall mean the Party that receives any Confidential Information, as defined below, from the other Party to this Agreement.

- (a) For purposes of this Agreement, "**Confidential Information**" shall include information: (i) that is generally unavailable to the public; and (ii) that has actual or potential economic value to the Disclosing Party. Confidential Information shall include trade secrets, discoveries, developments, designs, improvements, inventions, concepts, formulas, software programs, processes, products, techniques, methods, know-how, research, technical data (whether or not any of the foregoing are patentable or registerable under copyright or similar

statutes, and including all rights to obtain, register, perfect, and enforce those proprietary interests) and any other Intellectual Property, customer and supplier lists, price lists, business plans, forecasts, analyses, contracts, and all program, marketing, sales, or other financial data or business information disclosed to the Receiving Party by the Disclosing Party, either directly or indirectly, in writing or orally or by drawings or observation, together with and any summaries, modifications or enhancements of the same, and any content related to the Disclosing Party's products and services in any medium (images, audio, video, etc.), and any other information that a reasonable party would conclude is confidential or proprietary in nature, regardless of whether it is marked as such. Confidential Information shall also include, without limitation, employee information not otherwise defined as Protected Health Information by 45 C.F.R. § 160.103

- (b) Notwithstanding the foregoing, Confidential Information shall not include any information to the extent it: (i) is or becomes a part of the public domain through no act or omission on the part of the Receiving Party; (ii) is disclosed to third parties by the Disclosing Party without restriction on such third parties; (iii) is in the Receiving Party's possession, without actual or constructive knowledge of an obligation of confidentiality with respect thereto, at or prior to the time of disclosure under this Agreement; (iv) is disclosed to the Receiving Party by a third party having no obligation of confidentiality with respect thereto; (v) is independently developed by the Receiving Party without reference to the Disclosing Party's Confidential Information; or (vi) is released from confidential treatment by written consent of the Disclosing Party.
- (c) Notwithstanding the foregoing, portions of Confidential Information may be disclosed pursuant to the request of a governmental agency or third party if such disclosure is required by operation of law, regulation or court order, provided the Receiving Party gives the Disclosing Party prompt written notice of such proposed disclosure in order to enable the Disclosing Party to obtain an appropriate protective order, if it so desires and the Receiving Party discloses only that portion of the Confidential Information that is legally required.
- (d) The Receiving Party shall hold and maintain the Confidential Information of the Disclosing Party in strictest confidence and, except as otherwise set forth in this Agreement, shall not (i) disclose such Confidential Information to third parties; or (ii) use such Confidential Information for any purpose other than the exercise of its rights or performance of its obligations under this Agreement. Notwithstanding anything to the contrary in this Agreement, the

Receiving Party shall have the right to disclose Confidential Information to those of its employees, contractors, advisors and agents who have a need to know such Confidential Information to perform their duties, provided that any such individuals are bound to maintain such information in confidence consistent with the terms of this Section.

- (e) The Receiving Party understands and acknowledges that any disclosure or misappropriation of any of the Confidential Information of the Disclosing Party in violation of this Agreement may cause the Disclosing Party irreparable harm, and that monetary damages may not be a sufficient remedy. Thus, the Receiving Party agrees that the Disclosing Party shall have the right to apply to a court of competent jurisdiction to seek an injunction or other equitable remedy respecting such violation or continued violation, in addition to any other remedies available to the Disclosing Party at law or in equity. If any action at law or in equity is brought to enforce or interpret the provisions of this Section, the prevailing Party in such action shall be entitled to reasonable attorneys' fees.
- (f) Upon request, the Receiving Party shall promptly return to the Disclosing Party any and all records, notes and other written, printed or tangible materials pertaining to the Confidential Information of the Disclosing Party and will destroy all records, notes and other materials containing Confidential Information stored in electronic or other non-tangible media (and provide certification of such destruction on Disclosing Party's request); provided that Receiving Party shall not be required to destroy any Confidential Information that is stored on automatic computer back-up or archiving systems pursuant or that is otherwise impractical to destroy, it being agreed that any such Confidential Information remains subject to the terms of this Section 5 so long as it is retained by Receiving Party.

6. Representations of the Parties; Disclaimer.

6.1 Each Party represents that (a) it has the necessary and actual right and authority to enter into and to perform its obligations under this Agreement, (b) it has taken all necessary corporate action to authorize the execution, delivery, and performance of this Agreement, (c) this Agreement constitutes a valid and binding obligation enforceable against the Party in accordance with its terms, and (d) it will perform its obligations under this Agreement in a manner that complies with all laws applicable to such Party.

6.2 Employer represents that (a) Employer has sought its own legal advice with respect to the use of the Services as part of a wellness program, if applicable; and (b) Teladoc Health has not provided Employer with advice regarding the

legality of any of Employer's wellness programs or use of the Services for such wellness programs.

6.3 Each Party represents that it will maintain such insurance coverage as is reasonably necessary to support its respective obligations under this Agreement, which, for Employer, shall be at least a commercially reasonable general liability policy and cyber liability insurance with commercially reasonable limits in proportion to Employer's cyber liability risks.

Specifically, Teladoc Health represents that during the Term, it will maintain the following minimum types and amounts of insurance in the provision of the Services, with carriers having an AM Best Rating of A- or better:

- (a) Workers Compensation Insurance in an amount satisfying statutory requirements;
- (b) General Liability coverage of \$1 million per occurrence/\$2 million aggregate;
- (c) Technology Errors and Omissions and Cyber Risk Liability coverage (including network security and privacy liability) of \$10 million per claim/annual aggregate; and
- (d) With respect to telehealth services, Teladoc Health will ensure that each physician is provided with the requisite medical malpractice insurance coverage, in all cases complying with the minimum requirements of the applicable jurisdiction but in no event less than \$1 million per occurrence and \$2 million annual aggregate.

Upon request, Teladoc Health will provide Employer with a certificate evidencing the above insurance coverage.

6.4 Employer acknowledges and agrees that except as explicitly set forth in this Agreement or any Exhibit, Teladoc Health EXPRESSLY DISCLAIMS ALL REPRESENTATIONS OR WARRANTIES OF ANY KIND, WHETHER EXPRESS, IMPLIED OR STATUTORY AS TO THE SERVICES, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR TITLE.

7. Indemnification; Limitations of Liability.

7.1 Each Party agrees that it is solely liable for any breach, misrepresentation, error or omission by its employees, agents and representatives concerning the Services or otherwise made by such Party in fulfilling its obligations under this Agreement. Each Party agrees to indemnify and hold harmless the other Party and its affiliates, and their respective directors, officers, employees, agents, representatives, successors and assigns, from and against any loss, cost, damage or expense, including reasonable attorneys' fees and court costs, arising out of any third-party claim alleging (a) any error, omission, malfeasance or breach of this Agreement by such Party, or (b) infringement,

violation, or misappropriation of intellectual property rights of any third party.

7.2 Teladoc Health's total liability (including the liability of any of its officers, employees, or agents) relating to claims for damages arising from or relating to the performance of this Agreement shall be limited to direct (reasonably foreseeable) and actual damages and shall in no event exceed the amount of Fees paid by Employer during the twelve (12) months immediately preceding the first event, action, or omission giving rise to Teladoc Health's liability; *provided, however, that:*

- (a) Teladoc Health's total obligation for any claim arising from (i) a breach of the Protected Health Information; Confidential Information Section of the Agreement or (ii) from a claim for liability asserted by a third party relating to the performance of this Agreement shall in no event exceed \$5 million; and
- (b) in the event of a decision of liability attributed to both Parties, each Party's obligation will be limited by its relative fault as compared to the other Party and/or any third party in such matter.

Client expressly waives any right to seek consequential, indirect, exemplary, punitive, or special damages for claimed losses arising from or relating to the performance of this Agreement from Teladoc Health including, without limitation, claims for loss of business, data, revenue, profits, or goodwill, even if the Parties had knowledge of the possibility of such damages and whether or not such damages were foreseeable.

7.3 Defense of Indemnification Claims. In claiming any right to indemnification under this Section, the indemnified party shall promptly provide the indemnifying party with notice of any claim that the indemnified party believes is within the scope of the obligation to indemnify. The indemnified party may, at its own expense, assist in the defense if it so chooses, but the indemnifying party shall have sole control of the defense and all negotiations relative to the settlement of any such claim. The indemnified party will provide the indemnifying party with reasonable assistance, at the indemnifying party's expense, in the defense, negotiations, and settlement of any claims. Any settlement intended to bind the indemnified party shall not be final without the indemnified party's written consent, which consent shall not be unreasonably withheld, conditioned, or delayed.

7.4 In defending against any claim or action pursuant to Section 7.1 based upon an allegation that the Services infringe the intellectual property rights of a third party, Teladoc Health may at its option (a) procure for Employer the right to continue using the Services, or (b) modify or replace the Services so that it no longer infringes. If Teladoc Health concludes in its sole judgment that neither of the

foregoing options is commercially reasonable, then Teladoc Health may terminate this Agreement and cease providing the Services, upon which Employer will cease offering the Services. This Section 7.4 specifies Teladoc Health's entire liability and Employer's exclusive remedy for infringement.

8. Data Transmission Security. Data transmission security is the process of sending data from one computer system to another in a secure manner so that only the intended recipient of the data receives the data and the data sent is identical to the data received. When ePHI (Electronic Protected Health Information) is transmitted over an electronic communications network (i.e., "the internet"), transmissions of ePHI to and from Teladoc Health will utilize Secure File Transport Protocol (SFTP).

Employer and its representatives are expressly prohibited from indirectly or directly, knowingly violating or attempting to violate the security of Teladoc Health's web sites, including, without limitation, accessing data not intended for such user or logging into a server or account that such user is not authorized to access, attempting to probe, scan or test the vulnerability of the system or network or to breach security or authentication measures, scanning or testing the performance of the system or network, attempting to interfere with service to any user, host or network, including, without limitation, via means of submitting a virus or "trojan horse" to the Web site, overloading, "flooding", "mail bombing" or "crashing", or sending unsolicited electronic mail, including promotions and/or advertising of products or services. Violations of system or network security may result in civil or criminal liability. Teladoc Health will investigate occurrences that may involve such violations and may involve, and cooperate with, law enforcement authorities in prosecuting individuals involved in such violations.

9. Publicity. Teladoc Health may use Employer's trade name and logo on Teladoc Health's standard sales-deck and customer list(s) solely to indicate, during the Term, Employer's status as a customer of Teladoc Health, without other indications of endorsement. Any other use of Employer's trade name, trademark, service mark, or symbol in Teladoc Health's marketing, publicity or other promotional endeavors requires the prior consent of Employer.

10. Dispute Resolution. Except as provided in Section 5.1(e) or to protect a Party's Intellectual Property rights, prior to the institution of any formal court action, the Parties agree that any claim or controversy arising from this Agreement shall be considered and addressed by one representative from Teladoc Health and one representative from Employer at a meeting held upon at least five business days' advance notice from the complaining Party. Such meeting shall be held at a neutral location in the city where the non-complaining Party has its principal office or, if agreed by the Parties, may be conducted virtually by video conference. If the claim or controversy is not resolved by the

representatives at such meeting or within five business days thereafter, either Party may proceed with court action.

11. Miscellaneous.

11.1 Entire Agreement; Amendment; Severability. This Agreement (including any Exhibits or attachments hereto) constitutes the entire agreement by and between Teladoc Health and Employer with respect to any of its subject matter, and any representation, warranty, covenant, understanding or agreement not contained or incorporated herein by reference shall be of no force or effect. This Agreement supersedes all prior proposals, discussions, writings, and agreements between the Parties relating to the subject matter hereof. This Agreement may only be modified in writing, signed by an authorized representative of each Party. If any provision of this Agreement is determined to be invalid or unenforceable, such invalidity or unenforceability shall not invalidate or render unenforceable the entire Agreement, but rather this Agreement shall be construed as if not containing the particular invalid or unenforceable provision(s), and the rights and obligations of the Parties shall be construed and enforced accordingly.

11.2 Waiver. No waiver by either Party of a breach or default under this Agreement shall be effective unless in a writing signed by the Party to whom such compliance is owed. No waiver of any provision of this Agreement shall be deemed a waiver of any other provision or of any subsequent breach or default.

11.3 No Third-Party Beneficiaries. No person other than the Parties and their respective successors and permitted assigns is intended to be a beneficiary of this Agreement. In executing this Agreement, the Parties do not intend to create third-party beneficiary rights in anyone not a Party to this Agreement.

11.4 Force Majeure. Neither Party shall have liability to the other as a result of a Force Majeure Event; *provided, however*, that the non-performing Party uses commercially reasonable efforts to avoid or remove such causes of nonperformance and restore performance as soon as practicable. For purposes of this Agreement, "**Force Majeure Event**" means an event not reasonably foreseeable, beyond a Party's reasonable control, and occurring without its fault or negligence, including, without limitation (a) an act of nature, such as fire, flood, earthquake, storm, tornado, lightning, landslide, sink hole, or outbreak of disease, (b) a service failure caused by third parties, such as a power or utility outage or a labor dispute affecting suppliers or subcontractors, (c) a civil disruption such as war, invasion, insurrection, trade embargo, or activities by terrorists or public enemies, or (d) action by a governmental body that enjoins or prevents performance by a Party.

11.5 Notices. All notifications, consents, reports, requests, demands, and other communications required or permitted to be given under this Agreement shall be in writing and shall

be deemed given: (a) three (3) days after being mailed (with return receipt requested), (b) when emailed, or (c) one (1) day after being sent via a recognized overnight courier service, to the Parties at the following addresses, or pursuant to such other instructions as may be designated in writing by the Party to receive such notice:

If to Teladoc Health:

Teladoc Health, Inc.
Attn: Chief Legal Officer
2 Manhattanville Road, Suite 203
Purchase, NY 10577
Email: legalnotices@teladochealth.com

With a Copy to: clientservices@teladoc.com

If to Employer:

CITY OF OWATONNA
ATTN:KRIS BUSSE
540 W HILLS CIRCLE
OWATONNA, MN 55060
EMAIL:KRIS.BUSSE@OWATONNA.GOV

11.6 Governing Law; Jurisdiction; Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to the conflict of laws principles of such State. Jurisdiction and venue for any and all disputes under this Agreement shall be the state and/or federal courts of New York, New York.

11.7 Assignment. Neither Party may assign or otherwise transfer any of its rights, duties, or obligations under this Agreement, in whole or in part, by operation of law or otherwise, to any person or entity without the prior written consent of the other Party, except that a Party may assign its rights and obligations under this Agreement without the other Party's consent in the event of a corporate reorganization, consolidation with or merger into any person or a transfer of all or substantially all of its assets to any person. A party may also assign its rights and obligations under this Agreement to an entity it controls, is controlled by or is under common control with, provided that no such assignment shall relieve the transferring Party of its obligations under this Agreement without the consent of the other Party. Subject to the preceding sentences, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the Parties and their respective successors and assigns.

11.8 Taxes. Employer shall be responsible for the payment of any taxes on amounts due to Teladoc Health, including, but not limited to, state and local sales, use, excise and value-added taxes. Any taxes due on Teladoc Health's income or gross receipts shall be the sole responsibility of Teladoc Health. Applicable taxes will be invoiced by Teladoc Health to Employer unless Employer provides Teladoc



Health with a valid applicable tax exemption certificate or a valid direct pay certificate from the appropriate State or States before an invoice is generated. Employer must promptly notify Teladoc Health if any such exemption certificate or direct pay certificate has been suspended, revoked or has expired.

If sales tax is not invoiced by Teladoc Health and a taxing jurisdiction subsequently imposes a sales tax on Teladoc Health as the remitting agent and Teladoc Health is compelled to pay such sales tax, Employer agrees to indemnify and/or reimburse Teladoc Health for any such payments.

If applicable law obligates Employer to withhold or deduct taxes from amounts payable to Teladoc Health, Employer shall provide Teladoc Health with Employer's tax registration number assigned by the relevant taxing authority and official

receipts or other documentary evidence of any such withholding, deduction or payment of tax.

11.9 Joint Preparation. This Agreement is deemed to have been prepared jointly by the Parties, and any uncertainty or ambiguity herein shall not be interpreted against either Party, but shall be interpreted according to the application of the rules of interpretation for arm's length agreements.

11.10 Counterparts; Electronic Signatures. This Agreement may be executed in any number of counterparts (and may be executed by way of email or electronic signature, any of which shall be considered an original) with the same effect as if the Parties had signed the same instrument. Each signatory represents that he/she has full authority to sign this Agreement on behalf of his/her respective Party and to bind and obligate such Party to the terms hereof.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date.

Teladoc Health, Inc.		CITY OF OWATONNA	
Print Name	Title	Print Name	Title
Signature	Date	Signature	Date

HEALTHIESTYOU VIRTUAL CARE SERVICES EXHIBIT

This **HealthiestYou Virtual Care Services Exhibit** (the “**Exhibit**”) is entered into on **January 1, 2025** (“**Effective Date**”), by and between **Teladoc Health, Inc.** (“**Teladoc Health**”) and **CITY OF OWATONNA** (“**Employer**”), pursuant to the terms of the Teladoc Health Services Agreement entered into by the Parties, dated **January 1, 2025** (“**Agreement**”), the terms and conditions of which are incorporated by reference into this Exhibit. Teladoc Health and Employer shall be referred to herein as the “**Parties**” and each individually as a “**Party**”.

I. Introduction

- A. Teladoc Health provides a suite of telehealth services, as more fully described below (collectively, the “**HealthiestYou Virtual Care Services**”), and has entered into a contract with one or more professional associations that employ and/or contract with physicians and other licensed providers and practitioners (collectively, the “**Provider**”), and for which Teladoc Health provides various operational and administrative services to the Provider. The physicians and other licensed providers and practitioners who are employed by, or under a contractual arrangement with, the Provider form a network that is designed to facilitate medical visits provided by a physician and other licensed providers and practitioners who provide patient care via electronic exchange (“**Visit(s)**”) to individuals and groups desiring to purchase such Visits. In addition to General Medical Services outlined below, the suite of HealthiestYou Virtual Care Services consists of the following additional services:
1. Mental health services as more fully described below (the “**MH Care Services**”), whereby Teladoc Health has entered into a contract with one or more professional associations (collectively, the “**MH Care Provider**”) that employ and/or contract with various mental health practitioners, including psychiatrists, psychologists, clinical social workers, licensed professional counselors, mental health counselors, and marital and family therapists (each, a “**MH Care Practitioner**”), and for which Teladoc Health provides various operational and administrative services to the MH Care Provider. The MH Care Practitioners who are employed by, or under a contractual arrangement with, the MH Care Provider form a network that is designed to facilitate the provision of mental health visits via electronic exchange (“**MH Care Visit(s)**”).
 2. Dermatology services as more fully described below (the “**Dermatology Services**”), whereby Teladoc Health has entered into a contract with one or more professional associations (collectively, the “**Dermatology Provider**”) that employ and/or contract with various practitioners, including licensed dermatologists (each, a “**Dermatology Practitioner**”), and for which Teladoc Health provides various operational and administrative services to the Dermatology Provider. The Dermatology Practitioners who are employed by, or under a contractual arrangement with, the Dermatology Provider form a network that is designed to facilitate the provision of dermatology visits via electronic exchange (“**Dermatology Visit(s)**”).
 3. Self-directed back pain, neck pain, and other related musculoskeletal treatment services, as more fully described below (the “**MSK Services**”), whereby Teladoc Health has entered into a contract with a third party musculoskeletal telehealth company (“**MSK Program Vendor**”), that provides self-directed back pain, neck pain, and other related musculoskeletal treatment programs and access to live health coaching services via electronic exchange (each, an “**MSK Program Vendor-certified Coach**”). The MSK Program Vendor provides a network that is designed to facilitate the provision of back pain, neck pain, and other related musculoskeletal treatment programs via electronic exchange (“**MSK Visits**”), and Teladoc Health provides various operational and administrative services to the MSK Program Vendor with respect to the provision of MSK Visits.
 4. Nutritional coaching, as more fully described below (the “**NTRN Services**”), whereby Teladoc Health has entered into a contract with one or more professional associations (collectively, the “**NTRN Provider**”), that employ and/or contract with certified registered dietitians (each, a “**NTRN Program Coach**”), and for which Teladoc Health provides various operational and administrative services to the NTRN Provider. The NTRN Program Coaches who are employed by, or under a contractual arrangement with, the NTRN Provider form a network that is designed to facilitate the provision of nutritional coaching via electronic exchange to assess the clinical nutrition needs and concerns of a Member and provide a personalized nutrition plan (the “**NTRN Visits**”).
- B. The arrangement between Teladoc Health and the various Providers permits Teladoc Health to offer a program to its customers that consists of: (a) a network of providers who provide medical visits via electronic exchange; and (b) support for the operation and administration of that network, as further described herein.
- C. Employer desires to purchase the HealthiestYou Virtual Care Services for use by certain of its employees (“**Employees**”) and their eligible dependents (“**Eligible Dependents**”) as an additional benefit in connection with Employer’s employee benefits program. “**Eligible Dependent**” means a “**dependent**,” as defined under the Internal Revenue Code, I.R.C. § 152, or as may be mutually agreed between the Parties. Employees and Eligible Dependents are collectively and each referred to as “**Member(s)**”.

II. Term and Termination

- A. Teladoc Health will provide the HealthiestYou Virtual Care Services to Employer commencing on **January 1, 2025** (“**Start Date**”). This Exhibit commences on the Effective Date and will continue in force for an initial term that will end on the **first** anniversary of the Start Date (“**Initial Term**”), unless terminated earlier pursuant to **Section II(B)** below. Unless otherwise agreed by the Parties, at the expiration of the Initial Term, the Exhibit will be extended automatically on a year-to-year basis, unless either Party has given written notice to the other at least sixty (60) days prior to the scheduled expiration of the Exhibit of its election not to extend the

Exhibit. Any extensions of this Exhibit past the Initial Term are referred to as “**Renewal Term**”. The Initial Term and any Renewal Terms of this Exhibit are collectively referred to as the “**Term**.”

- B. In addition to the termination provisions outlined in **Section 2** of the Agreement, either Party may terminate this Exhibit for convenience on each anniversary of the Start Date by providing sixty (60) days’ advance written notice to the other Party.

III. **HealthiestYou Virtual Care Services**

- A. During the Term, Teladoc Health will provide the HealthiestYou Virtual Care Services described in this Exhibit, which consist of HealthiestYou Virtual Care Services to Members and HealthiestYou Virtual Care Services to Employer. As used in this Exhibit, the following terms shall have the following meanings:

“**Visit**” means a unit of the HealthiestYou Virtual Care Services for a Member (*for example, one General Medical Visit*).

“**General Medical Provider**” means a doctor or other provider or practitioner who is licensed to practice medicine and/or osteopathic medicine and is contracted with the Provider to provide General Medical Visits.

“**PEPM**” means “Per Employee Per Month,” which the Parties recognize as a common term in the health care industry. For purposes of this Exhibit, PEPM is defined as the applicable rate paid by Employer to Teladoc Health for each Employee who is eligible to utilize the HealthiestYou Virtual Care Services each month.

- B. **HealthiestYou Virtual Care Services for Members.** Teladoc Health will provide the following HealthiestYou Virtual Care Services to Members:

1. **General Medical Services to Members.** The General Medical Services include access to the General Medical Providers, who are selected and engaged by the Provider to provide patient and Provider interaction, whereby the General Medical Provider may diagnose the patient’s ailment, recommends therapy, and if necessary and appropriate, writes a prescription. The General Medical Services are designed to provide General Medical Provider access in the states where the Members live and travel. Each General Medical Provider shall be licensed to practice medicine and/or osteopathic medicine, be technologically proficient, trained in General Medical Visits, and covered by medical malpractice insurance having limits equal to or greater than the minimum required limits in the state where such General Medical Provider practices.

- i. It is understood by the Parties that the General Medical Providers will operate subject to applicable state regulations. Teladoc Health does not guarantee that a Member will receive a prescription, and only the Members who have completed the necessary steps to create the legally mandated provider/patient relationship (as described herein) will receive General Medical Visits. Those steps include, but are not limited to: (i) completing a comprehensive electronic health record (“**EHR**”), either online or by telephone with a designated Teladoc Health representative (It being understood that, in the event the Member fails to complete the EHR, the Member will not have access to the General Medical Providers, and Teladoc Health will so advise the Member when he/she seeks to access the General Medical Services); (ii) agreeing to Teladoc Health’s Terms and Conditions confirming an understanding that a General Medical Provider is not obligated to accept the Member as a patient, and that the Member’s participation in the General Medical Services may be cancelled at any time without recourse by the Member for reasons including but not limited to: abusive language, behavior, or conduct that is unlawful or illegal when participating in the General Medical Services; and (iii) the Member also understands and acknowledges that the General Medical Services provide Members with access to General Medical Visits only; if at any time a General Medical Provider or other provider determines that the Member’s condition is a life-threatening emergency, he or she shall direct the Member to the nearest emergency facility.

- ii. The General Medical Services consist of the following:

a. **Included Services:**

- **General Medical Services:** Toll-free access to telephone or web-based video General Medical Visits provided by a General Medical Provider whereby the General Medical Providers diagnose common or routine conditions, recommend treatment or direct the Member to contact his/her primary care physician, and if necessary and where appropriate, write a prescription. General Medical Services access is available on-demand 24 hours, 365 days per year. Members also have the option to schedule General Medical Visits between the hours of 7AM to 9PM local time, seven days a week, subject to availability.

b. **Optional Services:**

- **Caregiving:** Allows Members to designate a third-party care recipient to receive a General Medical Visit. Applicable standard visit fees will apply. Employer may opt-out of Caregiving upon notice to Teladoc Health.

2. **MH Care Services for Members.** Teladoc Health will provide the following MH Care Services to Members:

i. **The MH Care Practitioners:**

- a. General: The MH Care Services include access to the MH Care Practitioners who provide MH Care Visits to Members by telephone or video conference in the MH Care Services’ service area. The MH Care Services offer Members ongoing access to mental diagnostic services, talk therapy, and prescription medication management,

when appropriate. The MH Care Practitioners are selected and engaged by the MH Care Provider to provide mental health clinical intake assessments, ongoing talk therapy, and medication management in accordance with mental health protocols and guidelines that are tailored to the telehealth industry.

- b. Types and Selection: The MH Care Services are designed to allow the Member to select the type of MH Care Practitioner that will provide the MH Care Visit. The following types of MH Care Practitioners are available under the MH Care Services:

- Psychiatrists (MD/DO);
- Psychologists (PhD);
- Counselors (Masters);
- Clinical Social Workers (Masters); and
- Therapists (Marriage and Family) (Masters).

- c. Requirements: Each MH Care Practitioner is required to satisfy all applicable state licensing laws in his/her field of practice. Each MH Care Practitioner shall also be board certified in his/her field of practice as applicable, technologically proficient, trained in providing mental health counseling services, and covered by medical malpractice insurance or other applicable liability insurance having limits equal to or greater than the minimum required amounts in the state where the MH Practitioner practices.

ii. **The MH Care Visits:**

- a. Prerequisites: In order for a Member to receive a MH Care Visit, the Member must complete a comprehensive medical history and an assessment that is specific to the MH Care Services. This medical history may be completed online or via the mobile app. If the Member fails to provide their comprehensive medical history, the Member will not have access to the MH Care Practitioners, and Teladoc Health will so advise the Member when he/she attempts to schedule a MH Care Visit. In order for a Member to receive a MH Care Visit, the Member must also agree to Teladoc Health's Informed Patient Consent and Release Form confirming an understanding that the MH Care Practitioner is not obligated to accept the Member as a patient, and that the Member's participation in the MH Care Services may be cancelled at any time without recourse by the Member.
- b. Scheduling: Teladoc Health will provide the Member with information identifying each MH Care Practitioner's licensure, specialties, gender and language, and will provide sufficient biographical information on each MH Care Practitioner to allow the Member to select the MH Care Practitioner from whom the Member wishes to receive treatment. The Member may schedule MH Care Visits through Teladoc Health's website/mobile platform. When scheduling a subsequent MH Care Visit, the Member may choose to receive the MH Care Visit from a different MH Care Practitioner. Alternatively, a Member may choose the same MH Care Practitioner for any subsequent MH Care Visit. There are no limitations on the number of MH Care Visits a Member may receive.
- c. Individual Sessions: The Initial MH Care Visit is expected to be 45 minutes in length on average, followed by requested subsequent visits. For visits conducted with a therapist other than a psychiatrist, subsequent requested visits are expected to be 45 minutes in length on average. Visits conducted by a Psychiatrist (subsequent to an initial visit with a Psychiatrist) will be shorter in length, for the purpose of a medication check-in (if applicable). Prior to each MH Care Visit, the Member will be required to complete a brief intake assessment. A MH Care Practitioner may determine that the treatment of a Member's particular mental health issue would be managed more appropriately through in-person therapy. In such a case, the MH Care Practitioner will encourage the Member to make an appointment for an in-person visit. Employer acknowledges that the terms of the MH Care Services do not apply to any in-person visits between a Member and a MH Care Practitioner.
- d. Clarifications: Unlike General Medical Visits, the MH Care Visits:
 - 1. are not accessible 24 hours per day, 365 days per year. Rather, a Member must schedule a MH Care Visit with a MH Care Practitioner, and the MH Care Visit with a particular MH Care Practitioner must occur within a time period for which the MH Care Practitioner is scheduled to support the MH Care Services;
 - 2. are not intended to be provided in emergency situations. Rather, Teladoc Health will follow an internal emergency protocol that includes calling 911 in emergency situations; and
 - 3. are currently not available to Members who are minors, except as provided herein.

- iii. **Prescription Drug Formulary**: The MH Care Services include a customized formulary of commonly-prescribed mental health medications (e.g., antidepressants, anti-anxiety, etc...). Medications may be prescribed only by MH Care Practitioners who are psychiatrists. Such MH Care Practitioners will generally issue a 30-day prescription, but may, in their discretion, issue a 90-day prescription. MH Care Practitioners will not prescribe DEA controlled substances or narcotics under the MH Care Services.

3. **Dermatology Services for Members**. Teladoc Health will provide the following Dermatology Services to Members:

i. **The Dermatology Practitioners:**

- a. General: The Dermatology Services include access to the Dermatology Practitioners who provide Dermatology Visits to Members through an online message center using store-and-forward technology in the Dermatology Services' service area. The Dermatology Services offer Members access to upload photographs of their

dermatological conditions to licensed dermatologists, who provide treatment and prescription medication, when appropriate. The Dermatology Practitioners are selected and engaged by the Dermatology Provider to provide dermatological assessments in accordance with standard dermatology protocols and guidelines that are tailored to the telehealth industry

- b. **Requirements:** Each Dermatology Practitioner is required to satisfy all applicable state licensing laws in his/her field of practice. Each Dermatologist shall also be technologically proficient, trained in providing dermatology counseling services, and covered by medical malpractice insurance or other applicable liability insurance having limits equal to or greater than the minimum required amounts in the state where the Dermatology Practitioner practices.

ii. **The Dermatology Visits:**

- a. **Prerequisites:** In order for a Member to receive a Dermatology Visit, the Member must complete Teladoc Health's medical history disclosure form (if they have not previously completed it), as well as a comprehensive Dermatology Intake Form prior to a Dermatology Visit. The intake will consist of a Dermatology History section and an intake form for the condition for which the Member is seeking treatment describing the area of concern. This medical history may either be completed online or by telephone with a designated Dermatology Services representative. Additionally, the Member must upload at least three images of their condition prior to communicating with a Dermatology Practitioner. If the Member fails to complete the dermatology intake form or upload the required number of images, the Member will not have access to the Dermatology Practitioners, and Teladoc Health will so advise the Member when he/she attempts to schedule a Dermatology Visit. In order for a Member to receive a Dermatology Visit, the Member must also agree to Teladoc Health's Informed Patient Consent and Release Form and Teladoc Health's Terms and Conditions confirming an understanding that the Dermatology Practitioner is not obligated to accept the Member as a patient, and that the Member's participation in the Dermatology Services may be cancelled at any time without recourse by the Member. Members will be allowed to request more than one (1) Dermatology Visit at any given time.
- b. **Initial Dermatology Visit:** The Member will be able upload a minimum of three (3) images and a maximum of five (5) images for the Dermatology Practitioner to review. A Dermatology Practitioner will respond to the Member's image submission via the Teladoc Health Message Center within two (2) business days of such submission. The Dermatology Practitioner will either (a) determine that no additional information is required and provide a diagnosis and prescription, if appropriate; or (b) request additional information from the Member before making a diagnosis.
- c. **Member Follow-up:** The Member will have seven (7) days after diagnosis to respond to the Dermatology Practitioner with follow-up questions via the Teladoc Health Message Center. The Member will be able to respond only once and may upload up to five (5) additional images in the response. The Member will not be charged for a one-time follow-up Dermatology Visit question.
- d. **Subsequent Dermatology Visits:** For subsequent Dermatology Visits, the Member will have the option of selecting the same Dermatology Practitioner with whom they had a prior Dermatology Visit or a new Dermatology Practitioner licensed in their state.
- e. **Clarifications:** Unlike General Medical Visits, the Dermatology Visits:
 - 1. are not accessible 24 hours per day, 365 days per year. Rather, a Member must submit the required information for a Dermatology Visit and will receive a response from a Dermatology Practitioner within two (2) business days; and
 - 2. are not intended to be provided in emergency situations. Rather, Teladoc Health will follow an internal emergency protocol that includes calling 911 in emergency situations.

4. **MSK Services for Members.** Teladoc Health will provide the following MSK Services to Members:

i. **The MSK Program Vendor-certified Coaches:**

- a. **General:** The MSK Services include access to MSK Program Vendor-certified Coaches who provide MSK Visits to Members via electronic exchange. The MSK Services offer Members an automated and interactive web-based body of content that is wellness-oriented and guides Members through a personalized program of care that includes functional and pain data collection through onboarding surveys, video tutorials instructing Members in healthy MSK exercises and education, automated process and participation tracking, Member notifications and encouragement via the app and email communications, three subsequent functional and pain data surveys, and end of program reporting. MSK Program Vendor-certified Coaches are selected and engaged by the MSK Program Vendor to provide back pain, neck pain, and other related musculoskeletal treatment assessments in accordance with standard protocols and guidelines that are tailored to the telehealth industry.
- b. **Requirements:** Each MSK Program Vendor-certified Coach is required to have (i) a Master's degree in exercise physiology, kinesiology or health education, (ii) 1+ years of clinical experience working with patients with MSK pain under the direct supervision of a physical therapist, (iii) certification from American Council on Exercise (ACE), and (iv) MSK Program Vendor certification. The MSK Program Vendor-certified Coach may also have professional certification(s) in areas such as fitness, yoga, Pilates or personal training.

- ii. **The MSK Visits:**
 - a. Prerequisites: In order for a Member to receive MSK Visits, the Member is required to complete a set of 6 Risk and Safety Assessments to determine the Member's suitability for the MSK Services. If suitability is determined, the Member is required to review and agree to the MSK Services Terms and Conditions, and completes an assessment, before the initial MSK Visit is initiated. If the Member is determined to be "high risk" (as determined based on the Member's responses to the 6 Risk and Safety Assessments), an MSK Program Vendor-certified Coach will also contact the Member to investigate the possibility of a more serious condition than those addressed by the MSK Services.
 - b. Scheduling: The Initial MSK Visit is initiated upon the Member's successful completion of a set of 6 Risk and Safety Assessments to determine the Member's suitability for the MSK Services. If suitability is determined, the Member then completes an assessment, after which the initial MSK Visit is initiated. Subsequent MSK Visits are available On-Demand during normal business hours (9:00 a.m. to 5:00 p.m. MT). Members receive confirmation emails showing the date and time of scheduled MSK Visits.
 - c. Clarifications: Unlike the General Medical Visits, the MSK Visits:
 - are not accessible 24 hours per day, 365 days per year. Rather, MSK Visits may be scheduled during normal business hours (9:00 a.m. to 5:00 p.m. MT), with chat being available during non-business hours;
 - are not intended to be provided in emergency situations. Rather, the MSK Services will follow an internal emergency protocol that includes calling 911 in emergency situations;
 - are currently not available to Members who are minors (who are under the age of 18); and
 - a Member's full use of the MSK Services may consist of multiple individual MSK Visits over the course of 4 to 8 weeks, collectively referred to as that Member's "**MSK Case.**"
5. **NTRN Services for Members.** Teladoc Health will provide the following NTRN Services to Members:
 - i. **The NTRN Program Coaches:**
 - a. General: The NTRN Services include access to NTRN Program Coaches who provide NTRN Visits to Members via electronic exchange. The NTRN Services offer Members access to the NTRN Program Coaches who assess and provide advice regarding the nutrition care of the Member. Each NTRN Visit provides a personalized nutrition guide to the Member, along with various nutritional guidance support tools. The NTRN Services utilize current science-based nutrition guidelines while also incorporating assessments in accordance with standard protocols and guidelines. The NTRN Services are currently also available to Members who are minors (who are under the age of 18) with adult supervision.
 - b. Requirements: Each NTRN Program Coach is a registered dietitian, and is required to have:
 - earned a bachelor's degree;
 - received a verification statement from an Accreditation Council for Education in Nutrition and Dietetics ("ACEND")-accredited program verifying that program requirements have been met;
 - completed an ACEND-accredited supervised practice dietetic internship program;
 - passed the Commission on Dietetic Registration's dietetic registration exam;
 - gain licensure in their relevant State of practice, if applicable; and
 - maintain required continuing education.
 - The NTRN Program Coaches may have supplemental expert certifications in the areas of obesity and weight management, renal nutrition, pediatric nutrition, pediatric critical care nutrition, sports dietetics, gerontological nutrition, oncology nutrition, and/or be a Certified Diabetes Educator.
 - ii. **The NTRN Visits:**
 - a. Prerequisites: In order for a Member to receive NTRN Visits, the Member is required to complete a medical history and nutrition questionnaire to provide clinical data to the NTRN Program Coach to review and assess prior to the NTRN Visit.
 - b. Scheduling: Teladoc Health will provide the Member with information identifying each NTRN Program Coach's licensure, specialties, gender and language, and will provide sufficient biographical information on each NTRN Program Coach to allow the Member to select the NTRN Program Coach from whom the Member wishes to receive coaching. The Member may schedule NTRN Visits through Teladoc Health's website/mobile platform. The Initial NTRN Visit provides a complete personalized nutrition plan. Should the Member choose to initiate any follow-up NTRN Visit(s), they will be scheduled accordingly. Members receive confirmation emails showing the date and time of scheduled NTRN Visits.
 - c. Clarifications: Unlike the General Medical Visits, the NTRN Visits:

- are not accessible 24 hours per day, 365 days per year. Rather, a Member must schedule a NTRN Visit with a NTRN Program Coach, and the NTRN Visit with a particular NTRN Program Coach must occur within a time period for which the NTRN Program Coach is scheduled to support the NTRN Services; and
 - are not intended to be provided in emergency situations. Rather, the NTRN Services will follow an internal emergency protocol that includes calling 911 in emergency situations.
6. Teladoc Health shall maintain up to date eligibility information as provided by Employer pursuant to this Exhibit and will confirm the Member's eligibility prior to the delivery of the HealthiestYou Virtual Care Services to the Member. Teladoc Health has the right to limit or restrict the HealthiestYou Virtual Care Services in any state or jurisdiction where the provision of such services is or would be contrary to applicable rule, law or regulation and shall provide Employer written notice of such limitation or restriction within thirty (30) days.
 7. With respect to the delivery of the HealthiestYou Virtual Care Services and activities supporting the delivery of HealthiestYou Virtual Care Services, neither Teladoc Health nor the Provider is a business associate of Employer and is therefore providing such HealthiestYou Virtual Care Services as a covered entity. As such, Teladoc Health maintains compliance with the Health Insurance Portability and Accountability Act of 1996, as amended ("**HIPAA**"), including but not limited to those changes adopted and incorporated by Section XIII of the American Recovery and Reinvestment Act of 2009 ("**ARRA**") known as Health Information Technology for Economic and Clinical Health ("**HITECH**").

C. HealthiestYou Virtual Care Services for Employer. Teladoc Health will provide the following services to Employer.

1. **Account Support.** Teladoc Health will be available to Employer to assist with the following:
 - Implementing the HealthiestYou Virtual Care Services
 - Launching the Member Engagement Package(s) described below, and monitoring its performance
 - Providing assistance to Employer in answering questions and resolving issues
 - Reviewing and explaining reporting
 - Providing initial training for Employer's designated employees (e.g., *HR personnel*) at the time of implementation. Notwithstanding the foregoing, Employer acknowledges and agrees that if Employer requests Teladoc Health to attend any events such as, but not limited to, enrollment meetings, health fairs, etc., Teladoc Health will charge additional fees for attendance as mutually agreed by the Parties.
2. **Reporting.** Teladoc Health will provide Employer with the following reporting:
 - **Monthly** standard utilization and savings reporting package*
 - **Monthly** standard portfolio performance reporting package*
 - If Employer requests that Teladoc Health prepare any non-standard reports that require information technology programming, Teladoc Health will charge the Employer an additional fee of two hundred twenty-five dollars (\$225) per hour, times that number of hours necessary for such non-standard reporting program development.

*The information included in any such report to Employer will be de-identified (i.e., aggregated). In accordance with applicable law, Teladoc Health will not share any personal identifiable information of any Member with Employer in such reports.
3. **Communications & Member Engagement.** Fees include the following Member Engagement Package(s):
 - i. **Member Engagement Package:**
 - a. Teladoc Health will provide a template description of the HealthiestYou Virtual Care Services for use by the Employer to communicate the HealthiestYou Virtual Care Services to Employees. Any changes or modifications to such template description, and any and all materials used by the Employer or its agents to describe the HealthiestYou Virtual Care Services (other than the template descriptions provided by Teladoc Health), must be approved in advance in writing by Teladoc Health prior to distribution. Such communications include, but are not limited to, those that are in written form, on websites, on the radio, on television, sent by email, sent by fax, etc. In addition, the Employer hereby authorizes Teladoc Health to communicate directly with the Members for the purpose of: (i) promoting the HealthiestYou Virtual Care Services and ancillary services or products related to the provision of virtual care; and (ii) treatment, payment, and health care operations of Teladoc Health.
 - b. Teladoc Health will partner with the Employer to educate its Employees on the HealthiestYou Virtual Care Services through the following:
 - *Teladoc Health will provide Employer with standard HealthiestYou marketing assets through the Teladoc Health Engagement Center, a self-service digital repository of marketing communication assets for Employer-led marketing to Employees.*

- Teladoc Health may conduct additional email and direct mail outreach with marketing communication assets created by Teladoc Health without customization by Employer and delivered at Teladoc Health's recommended cadence.

Employer Responsibilities: Provide the Teladoc Health approved description of the HealthiestYou Virtual Care Services to Employees. Cooperate with Teladoc Health in implementing the HealthiestYou Virtual Care Services. Provide consistent contextual placement of content and messaging related to the HealthiestYou Virtual Care Services across all appropriate Employee touch-points (e.g. Employee Benefits Portal, Direct Outreach, Open Enrollment, Newsletters, etc...) Provide Teladoc Health with timely and accurate contact information for Employees, including: Name (first, last, middle initial), mailing address, and email address.

IV. Eligibility and Fees

- A. **Eligibility Files.** By the **1st** day of each month, Employer, or its third party administrator, shall deliver to Teladoc Health an accurate file identifying the number of Employees eligible to utilize the HealthiestYou Virtual Care Services in that month (the "**Eligibility File**") and their applicable contact information (including name, street address, and email address), in a format approved by Teladoc Health. If Employer, or its third party administrator, fails to deliver the Eligibility File by the **1st** day of the month, then the last valid Eligibility File delivered to Teladoc Health will be deemed to be the Eligibility File for that month. Alternatively and as applicable, Employer may either provide Eligibility File information via Teladoc Health's Client Site portal, or via a Real Time Eligibility (RTE) process, as mutually agreed by the Parties. If Employer subsequently requests a modification to their method of delivering Eligibility File information, Teladoc Health may charge the Employer an additional fee of two hundred twenty-five dollars (\$225) per hour, times that number of hours necessary to effect such modification.
- B. **Fees.**
 1. Employer agrees to pay Teladoc Health the following fees (collectively, the "**Fee**"):
 - i. **General Medical Services :**
 - a. a recurring PEPM Fee of US **\$6.50** for each Employee eligible to utilize the General Medical Services each month.
 - b. The PEPM Fee includes an assumption of up to **50%** annual utilization of the General Medical Services (the "**Utilization Target**"). If actual annualized utilization exceeds the current year's Utilization Target, the PEPM Fee shall increase for the next Renewal Term by \$0.30 for each 5% increment of utilization in excess of the Utilization Target. In addition, a new Utilization Target will be set for the next Renewal Term by rounding up the actual annualized utilization to the nearest 5%. For example, where the Utilization Target for the current year is 50%, if actual annualized utilization in that year is 56%, the Utilization Target for the following year will be increased to 60% and the PEPM Fee for the following year will increase by \$0.60.
 - ii. **MH Care Services:**
 - a. There will be no additional PEPM Fees charged to the Employer for the MH Care Services, unless subsequently increased pursuant to the Utilization Target outlined below.
 - b. The MH Care Services include an assumption of up to **10%** annual utilization (the "**Utilization Target**"). If actual annualized utilization exceeds the current year's Utilization Target, the PEPM Fee shall increase for the next Renewal Term by \$0.60 for each 5% increment of utilization in excess of the Utilization Target. In addition, a new Utilization Target will be set for the next Renewal Term by rounding up the actual annualized utilization to the nearest 5%. For example, where the Utilization Target for the current year is 50%, if actual annualized utilization in that year is 56%, the Utilization Target for the following year will be increased to 60% and the PEPM Fee for the following year will increase by \$1.20.
 - iii. **Dermatology Services; MSK Services; NTRN Services:**
 - a. There will be no additional PEPM Fees charged to the Employer for the Dermatology Services, the MSK Services, or the NTRN Services, regardless of annual utilization.
 2. The Fee is based on approximately **100** Employees in the Eligibility File each month ("**Estimated Employees**"). If the actual number of Employees in the Eligibility File as of the Start Date is less than ninety percent (90%) of the number of Estimated Employees, then Teladoc Health may increase the PEPM Fee by an additional \$2.00 PEPM.
 3. With 60 days' advance written notice to Employer, the PEPM Fees set forth above may be increased on each anniversary of the Start Date by five (5%) percent rounded to the nearest penny if the Teladoc Health book of business pricing is being increased as a result of overall book of business results, even if actual utilization does not exceed the Utilization Target.
- C. **Payment of Fees.**
 1. Teladoc Health will submit an invoice to Employer on the **4th** day of each month based on the Eligibility File delivered by Employer to Teladoc Health for that month ("**Invoice**"), and Employer agrees to pay such Invoice by the last day of that month. Notwithstanding the foregoing, should Employer determine an error was made in the Eligibility File, Employer may request a credit, not to exceed 5% of the monthly PEPM Fees paid by Employer to Teladoc Health for the corresponding month, as soon as practicable and in no event later than ninety (90) days after the end of the month to which the PEPM Fee pertains.

2. If applicable, Teladoc Health will submit an Invoice to Employer for Provider Visit Fees on the **1st** day of each month with respect to Visits that occurred within the prior thirty (30) day period, and Employer agrees to pay such Invoice by the last day of that month; *provided, however*, that if claims are sent via EDI 837 file transfer, Teladoc Health will submit an 837 transaction file for any Provider Visit Fee to the applicable healthcare payer.
3. Unless Employer directs otherwise in writing, Teladoc Health will deliver all Invoices for the HealthiestYou Virtual Care Services via email to the following email address: **emily.thamert@owatonna.gov** .
4. If any Fees due to Teladoc Health become more than sixty (60) days delinquent, Teladoc Health may suspend provision of the HealthiestYou Virtual Care Services until such amounts have been paid.

EXPERT MEDICAL SERVICES ADDENDUM

This **Expert Medical Services Addendum** (the “**Addendum**”) is entered into on **January 1, 2025** (“**Addendum Effective Date**”), by and between **Teladoc Health, Inc.** (“**Teladoc Health**”) and **CITY OF OWATONNA** (“**Employer**”), pursuant to the terms of the Teladoc Health Services Agreement entered into by the Parties, dated **January 1, 2025**, which includes a HealthiestYou Virtual Care Services Exhibit (collectively, the “**Agreement**”), the terms and conditions of which are incorporated by reference into this Addendum. Teladoc Health and Employer shall be referred to herein as the “**Parties**” and each individually as a “**Party**”. The Agreement shall be amended to include the additional provisions set forth below, and any capitalized terms not otherwise defined herein shall have the meanings given to them in the Agreement.

I. Introduction

- A. Teladoc Health provides expert medical information services, as more fully described in **Section III(B)(2)** below (collectively, the “**Expert Medical Services**”), designed to improve the quality and decrease the cost of health care by connecting individuals and their treating physicians with specialists who can provide expert guidance and alternative treatment recommendations with respect to diagnoses and treatment plans.
- B. Employer desires to purchase the Expert Medical Services for use by its employees (“**Employees**”) and their eligible dependents (“**Eligible Dependents**”) as an additional benefit in connection with Employer’s employee benefits program. “**Eligible Dependent**” means a “dependent,” as defined under the Internal Revenue Code, I.R.C. § 152, or as may be mutually agreed between the Parties. Employees and Eligible Dependents are collectively and each referred to as “**Member(s)**”.
- C. In accepting the Expert Medical Services, Employer acknowledges and agrees to the following:
 - (i) The Expert Medical Services do not provide medical care or treatment.
 - (ii) Teladoc Health may be unable to provide the Expert Medical Services to a Member if Teladoc Health does not receive the records it deems necessary, such as medical records and related test reports, radiology, pathology, and/or physician notes (“**Required Medical Information**”), or if Teladoc Health does not have the Member authorizations and/or consents it deems necessary to obtain such data.
 - (iii) Teladoc Health may refuse to provide or may terminate the provision of the Expert Medical Services to a Member if the Member declines to execute any required consents and/or authorizations, or if Teladoc Health determines, in its reasonable discretion, that a Member’s use of any Expert Medical Services is or was for a purpose other than for the Member’s treatment by his/her treating physician (*e.g., for litigation purposes*).
 - (iv) Teladoc Health does not and will not have any authority to make benefit determinations, and any such decisions will be made by Employer in accordance with Employer’s benefits programs and/or plan documents. Use of the Expert Medical Services by the Members is not a condition of participation in or payment under Employer’s program(s) of insurance. The Expert Medical Services may not be used for utilization review purposes.
 - (v) Teladoc Health will have no power or authority on behalf of Employer to waive, alter, or modify by estoppel or otherwise, any of the terms or conditions of any benefit program provided by Employer. Teladoc Health will have no power or authority to bind Employer to any insurance or other risk.
 - (vi) Teladoc Health is not responsible for the administration, development, or legal review of any program Employer uses to incentivize Members to use the Expert Medical Services. Teladoc Health may, in its own discretion, refuse to participate in any such program.
 - (vii) Employer represents that any Member contact information provided to Teladoc Health by Employer (or by a third party on behalf of Employer) may be used by Teladoc Health to contact the Members for the purposes of performing the Expert Medical Services, and that Employer has obtained any necessary consents, if applicable, for Teladoc Health to contact Members using the Member contact information.

II. Term and Termination

- A. Teladoc Health will provide the Expert Medical Services to Employer commencing on the Addendum Effective Date. This Addendum commences on the Addendum Effective Date and will continue in force until the expiration of the HealthiestYou Virtual Care Services Exhibit to the Agreement (“**Term**”).

III. Expert Medical Services

- A. During the Term, Teladoc Health will provide the Expert Medical Services described in this Addendum, which consist of services to Members and services to Employer. As used in this Addendum, the following terms shall have the following meanings:

“**Expert Panel**” means Teladoc Health’s network of medical specialists, who were selected based on peer reviews, and clinical and academic accomplishment to provide recommendations and opinions.

“**Physician**” means a physician who works with Teladoc Health to perform certain Expert Medical Services, is licensed in the state where the Member is located and has gone through Teladoc Health’s specialized credentialing process. Physician also includes specialists who consult with and provide expertise and guidance relating to a member’s needs.

“**Expert**” means an Expert on the Expert Panel who has contracted with Teladoc Health to perform certain Expert Medical Services and has gone through Teladoc Health’s specialized verification process.

“**Business Day**” means the week days of Monday through Friday, except for the following Teladoc Health corporate holidays: New Year’s Day (*January 1 or, if on a weekend, the following Monday*), Presidents Day (*third Monday in February*), Memorial Day (*last Monday in May*), Juneteenth (*June 19,, if on a weekend, the following Monday*); Independence Day (*July 4 or, if on a weekend, the following Monday*), Labor Day (*first Monday in September*), Thanksgiving (*fourth Thursday and Friday in November*), and Christmas (*December 25 or, if on a weekend, the following Monday*).

“**Business Hours**” means 8am to 9pm Eastern Time.

“**Care Team**” means a team of healthcare professionals including physicians, non-physician nurses, advance practitioner providers, and administrative support resources who support the Member throughout their case.

“**Case**” means a unit of the Expert Medical Services where a member of the Care Team facilitates the services to be performed for the Member.

“**Clinician**” means physicians and other licensed providers and practitioners as a member of the Care Team supporting the member.

“**PEPM**” means “Per Employee Per Month,” which the Parties recognize as a common term in the health care industry. For purposes of this Addendum, PEPM is defined as the applicable rate paid by Employer to Teladoc Health for each Employee who is eligible to utilize the Expert Medical Services each month.

B. Expert Medical Services for Members.

1. Expert Medical Services for Members is comprised of:
 - A toll free number
 - Live coverage during Business Days and during Business Hours, with messages taken off-hours
 - A Member Portal
 - A Member App for both iOS and Android phones
 - Confirming the Member’s eligibility by checking the most current Eligibility File, if provided. Employer will provide Teladoc Health with a contact person who is available, via telephone on Business Days between 9am and 5pm EST or via email, to verify the eligibility of any individual not listed in the Eligibility File.
 - A Clinician will provide Case oversight, navigational support and advice regarding the Member’s specific needs.
 - A Care Team supporting the assigned Clinician and available to the Member via email or phone during Business Hours
 - The Clinician will identify, based on the intake with Member, the type of Case that is appropriate for the Member. The Clinician will initiate, coordinate, and manage the Case, with support from the Teladoc Health Clinical Operations Team and other clinical resources as necessary, who will be in communication with the Member throughout the course of the Case.
2. Teladoc Health’s Expert Medical Services consist of the following services together or individually based on each Members’ needs:
 - i. Expert medical opinion including education, guidance and/or recommendations by highly rated Physicians in various specialties and subspecialties. An expert medical opinion may include:
 - a. Teladoc Health will collect the Member’s medical records from the Member if available or from treating facilities/other sources on behalf of the Member, prepare a summary of the records, and provide the Member with written suggestions to address their health issues.
 - b. a written summary of the Member’s applicable medical records and Required Medical Information with the goal of helping the Member to identify the right diagnosis and treatment plan
 - (i) In depth discussion with a verbal and documented response to a Member’s question(s) related to an established diagnosis
 - (ii) guidance and/or education for Members’ clinical questions related to a diagnosis or first opinion.
 - ii. Coverage for inpatient support is available 24x7x365. Teladoc Health will address the immediate and highly complex needs of the Member. Care Team recommendations and support for Members who are in an in-patient medical setting experiencing a traumatic or catastrophic event such as traumatic brain injury, spinal cord injury, multi-organ failure, serious burns, or premature birth.

C. Expert Medical Services for Employer. Teladoc Health will provide the following services to Employer:

1. **Account Support.** Teladoc Health will be available to Employer to assist with the following:

- Implementing the Expert Medical Services
- Launching the Member Engagement Package(s) described below, and monitoring its performance
- Providing assistance to Employer in answering questions and resolving issues
- Reviewing and explaining reporting

Notwithstanding the foregoing, Employer acknowledges and agrees that if Employer requests Teladoc Health to attend any events such as, but not limited to, enrollment meetings, health fairs, etc., Teladoc Health will charge additional fees for attendance as mutually agreed by the Parties.

2. **Reporting.** Teladoc Health will provide Employer with the following reporting:

- **Annual** standard utilization reporting package*
- **Monthly** standard portfolio performance reporting package*
- If Employer requests Teladoc Health to prepare any non-standard reports that require information technology programming, Teladoc Health will charge the Employer an additional fee of two hundred twenty-five dollars (\$225) per hour, times that number of hours necessary for such non-standard reporting program development.

*The information included in any such report will be de-identified (i.e., aggregated). In accordance with applicable law, Teladoc Health will not share any personal identifiable information of any Member with Employer in such reports.

3. **Communications & Member Engagement.** Fees include the following Member Engagement Package(s):

i. **Member Engagement Package:**

- a. Teladoc Health will provide a template description of the Expert Medical Services for use by the Employer to communicate the Expert Medical Services to Employees. Any changes or modifications to such template description, and any and all materials used by the Employer or its agents to describe the Expert Medical Services (other than the template descriptions, materials or marketing assets provided by Teladoc Health directly or through its Engagement Center without changes or modifications by Employer), must be approved in advance in writing by Teladoc Health prior to distribution. Such communications include, but are not limited to, those that are in written form, on websites, on the radio, on television, sent by email, sent by fax, etc. In addition, the Employer hereby authorizes Teladoc Health to communicate directly with Employees for the purpose of (i) promoting the Expert Medical Services and ancillary services or products related to the provision of virtual care; and (ii) treatment, payment and healthcare operations of Teladoc Health.
- b. Teladoc Health will perform the following multi-channel enrollment outreach through its Optimized Enrollment Plan which includes:
 - i. Utilization of the full suite of Teladoc Health enrollment marketing assets including, but not limited to, emails and direct mail as created by Teladoc Health without customization by Employer and delivered at Teladoc Health's recommended cadence. Teladoc Health will conduct A/B marketing material testing to optimize enrollment.
 - ii. Teladoc Health will provide Employer with standard Expert Medical Services marketing assets. Employer will have access to the Teladoc Health Engagement Center, a self-service digital repository of marketing communication assets for Employer-led marketing to Employees.
- c. Employer shall provide Employee email and mailing addresses to Teladoc Health to the fullest extent possible;
- d. Outreach to non-enrolled Employees by both parties will cease upon termination of the Agreement

Employer Responsibilities: *Provide the Teladoc Health approved description of the Expert Medical Services to Employees. Cooperate with Teladoc Health in implementing the Expert Medical Services. Provide consistent contextual placement of content and messaging related to the Expert Medical Services across all appropriate Employee touch-points (e.g. Employee Benefits Portal, Direct Outreach, Open Enrollment, Newsletters, etc...) Provide Teladoc Health with timely and accurate contact information for Employees, including: Name (first, last, middle initial), mailing address, and email address.*

IV. Eligibility and Fees

- A. **Eligibility Files.** By the **1st** day of each month, Employer, or its third-party administrator, shall deliver to Teladoc Health an accurate file identifying the number of Employees eligible to utilize the Teladoc Services in that month (the "**Eligibility File**") and their applicable contact information, in a format approved by Teladoc Health. If Employer, or its third party administrator, fails to deliver the Eligibility File by the **1st** day of the month, then the last valid Eligibility File delivered to Teladoc Health will be deemed to be the Eligibility File for that month. Alternatively and as applicable, Employer may either provide Eligibility File information via Teladoc Health's Client Site portal, or via a Real Time Eligibility (RTE) process, as mutually agreed by the Parties. If Employer subsequently

requests a modification to their method of delivering Eligibility File information, Teladoc Health may charge the Employer an additional fee of two hundred twenty-five dollars (\$225) per hour, times that number of hours necessary to effect such modification.

B. Fees.

1. Employer agrees to pay Teladoc Health a recurring PEPM Fee of US **\$5.00** (the “**Fee**”) for each Employee eligible to utilize the Expert Medical Services each month.
2. The Fee is based on approximately **100** Employees in the Eligibility File each month. The Fee may be increased or decreased by Teladoc Health if the actual number of Employees in the Eligibility File decreases or increases by more than twenty percent (20%) of this number for a period of three (3) consecutive months. Should Employer determine an error was made in the Eligibility File, Employer may request a credit, not to exceed 5% of the monthly PEPM Fees paid by Employer to Teladoc Health, for the corresponding month as soon as practicable and in no event later than ninety (90) days after the end of the month to which the credit pertains.
3. During the Term and for a period of up to twelve (12) months after the expiration or termination of this Addendum, Teladoc Health may audit Employer’s records upon request as may be reasonably necessary to verify the number of Employees reported in the Eligibility File. If any such audit identifies an inaccuracy in such Files, the Parties will adjust the Fees owed by Employer as necessary to correct for such inaccuracy.

C. Payment of Fees.

1. Teladoc Health will submit an invoice to Employer on the **4th** day of each month based on the Eligibility File delivered by Employer to Teladoc Health for that month (“**Invoice**”), and Employer agrees to pay such Invoice by the last day of that month.
2. If applicable, Teladoc Health will submit an Invoice to Employer for Case rate Fees on the **1st** day of each month with respect to applicable Cases that were completed within the previous calendar month, and Employer agrees to pay such Invoice by the last day of that month.
3. Unless Employer directs otherwise in writing, Teladoc Health will deliver all Invoices for the Expert Medical Services via email to the following email address: **emily.thamert@owatonna.gov** .
4. If any Fees due to Teladoc Health become more than sixty (60) days delinquent, Teladoc Health may suspend provision of the Expert Medical Services until such amounts have been paid.

V. Other Terms & Conditions

The terms and conditions set forth in the Agreement shall apply to the Expert Medical Services in the same manner that such sections apply to the HealthiestYou Virtual Care Services.

MENTAL HEALTH COMPLETE SERVICES ADDENDUM

This **Mental Health Complete Services Addendum** ("Addendum") is entered into on **January 1, 2025** ("Addendum Effective Date"), by and between **Teladoc Health, Inc.** ("Teladoc Health") and **CITY OF OWATONNA** ("Employer"), pursuant to the terms of the Teladoc Health Services Agreement entered into by the Parties, dated **January 1, 2025** ("Agreement") which includes a HealthiestYou Virtual Care Services Exhibit (collectively, the "**Agreement**"), the terms and conditions of which are incorporated by reference into this Addendum. Teladoc Health and Employer shall be referred to herein as the "**Parties**" and each individually as a "**Party**".

I. Introduction

- A. Teladoc Health provides access to a suite of online health coaching programs, which includes the management of behavioral health, as more fully described below (the "**Mental Health Complete Services**"), and employs various coaches (each, a "**Chronic Condition Management Program Coach**"). The Mental Health Complete Services consist of the Included Products and Included Services as defined below. In providing the Mental Health Complete Services, Teladoc Health does not provide medical treatment, and the Mental Health Complete Services do not create or otherwise give rise to a physician-patient relationship.
- B. Employer desires to purchase the Mental Health Complete Services for use by certain of its employees ("**Employees**") and their eligible dependents ("**Eligible Dependents**") as an additional benefit in connection with Employer's employee benefits program. "Eligible Dependent" means a "dependent," as defined under the Internal Revenue Code, I.R.C. § 152, or as may be mutually agreed between the Parties. Employees and Eligible Dependents are collectively and each referred to as "**Member(s)**." A Member may enroll in the Mental Health Complete Services as described below, and upon enrollment the Member shall thereafter be defined as a "**Participant**."

II. Term and Termination

- A. Teladoc Health will provide the Mental Health Complete Services to Employer commencing on the Addendum Effective Date. This Addendum commences on the Addendum Effective Date and will continue in force until the expiration of the HealthiestYou Virtual Care Services Exhibit to the Agreement ("**Term**").

III. Mental Health Complete Services

- A. During the Term, Teladoc Health will provide the Mental Health *Complete* Services described in this Addendum.
- B. **Mental Health Complete Services for Participants.** Mental Health Complete Services is a virtual mental health product featuring a comprehensive personalized solution that addresses the full spectrum of mental health acuties. The innovative, evidence-based approaches incorporated into each level of care create an effective and scalable solution. Mental Health Complete Services include access to the web-based and mobile applications. Participants may follow guided pathways suggested in their personal plan or choose their own path of care. A wide range of evidence-based resources is available, from digital programs like short-form coping tools and condition-specific programs, to virtual care and licensed virtual care.
 1. Mental Health Complete - Included Services:
 - i. Access to the Teladoc Health mobile application and the Teladoc Health online platform. The platform will provide Participants aged 18 and above with access to a broad set of digital programs, and resources, as well as access to several human-led care options.
 - ii. Through the onboarding and reassessment process, Participants will access the following:
 - a. Digital assessment: a broad, clinically-based assessment incorporates validated clinical questionnaires supplemented with contextual personal information.
 - b. Personal plan: the personalized plan defines the mix of care for the Participant based on the digital assessments.
 - c. Ongoing measurement-based care: digital content is continually refined based on as the Participant uses the app.
 - iii. A wide range of digital programs and resources include the following:
 - a. In the moment tools: recommended to Participants based on their needs
 - b. Recommended digital content: a personalized mix of articles, videos, exercises - relevant to the plan's focus areas.
 - c. Structured digital courses: courses which utilize proven, evidence-based techniques to lead Participants through a defined curriculum. They cover the most common focus areas including depression and anxiety.
 - iv. Remote care, inclusive of the following:
 - a. 1:1 dedicated coach: asynchronous, chat-based guidance provides ongoing support and encouragement to optimize engagement
 - b. Crisis Outreach: Proactive outreach from trained crisis managers for Participants who endorse high levels of distress

- c. Live coaching session: A unique blend of live human guided coaching, supplemented with digital programming, with certified Chronic Condition Management coaches
- d. Virtual Care Services - Mental Health Care. Mental Health Complete Services have an additional component as well, connecting Participants to Teladoc Health's Mental Health Care Services.
 - Teladoc Health's provision of Mental Health Care Services will be governed by the terms of the HealthiestYou Virtual Care Services Exhibit entered into by the Parties.

C. Mental Health Complete Services for Employer. Teladoc Health will provide the following Mental Health Complete Services to Employer:

1. Account Support. Availability to Employer to assist with the following:
 - i. Implementing the Mental Health Complete Services;
 - ii. Launching the Member Engagement Package(s) described below, and monitoring its performance;
 - iii. Providing assistance to Employer in answering questions and resolving issues; and
 - iv. Reviewing and explaining reporting.
2. Reporting*. Providing Employer with the following reporting, in a HIPAA-compliant format:
 - i. Monthly standard scorecard reporting package related to: Participant Enrollment, Clinical Outcomes, Portfolio Performance and Engagement.
 - ii. If Employer requests Teladoc Health to prepare any non-standard reports that require information technology programming, Teladoc Health will charge the Employer an additional fee of two hundred twenty-five dollars (\$225) per hour, times that number of hours necessary for such non-standard reporting program development.

*The information included in any such report will be de-identified (i.e., aggregated). In accordance with applicable law, Teladoc Health will not share any personal identifiable information of any Member with Employer in such reports.
3. Communications & Member Engagement. Fees include the following Member Engagement Package(s):

i. **Member Engagement Package:**

- a. Teladoc Health will provide a template description of the Mental Health Complete Services for use by Employer to communicate the Mental Health Complete Services to Employees. Any changes or modifications to such template description, and any and all materials used by Employer or its agents to describe the Mental Health Complete Services (other than the template descriptions, materials or marketing assets provided by Teladoc Health directly or through its Engagement Center without changes or modifications by Employer/Health Plan), must be approved in advance in writing by Teladoc Health prior to distribution. Such communications include, but are not limited to, those that are in written form, on websites, on the radio, on television, sent by email, sent by fax, etc. In addition, Employer hereby authorizes Teladoc Health to communicate directly with the Employees for the purpose of: (i) promoting the Mental Health Complete Services and ancillary services or products related to the provision of virtual care; and (ii) treatment, payment, and health care operations of Teladoc Health.
 - b. Teladoc Health will perform the following multi-channel enrollment outreach through its Optimized Enrollment Plan which includes:
 - i. Utilization of the full suite of Teladoc Health enrollment marketing assets including, but not limited to, emails and direct mail as created by Teladoc Health and delivered at Teladoc Health's recommended cadence. Teladoc Health will conduct A/B marketing material testing to optimize enrollment.
 - ii. Enablement of incentives to be sent from Teladoc Health to Members
 - iii. Teladoc Health will provide Employer with standard Mental Health Complete Services marketing assets. Employer will have access to the Teladoc Health Engagement Center, a self-service digital repository of marketing communication assets for Employer-led marketing to Employees.
 - c. Employer shall provide Employee email, phone numbers, and mailing addresses to Teladoc Health to the fullest extent possible;
 - d. Outreach to non-enrolled Employees by both parties will cease upon termination of the Agreement
4. Employer Responsibilities. Employer shall be responsible for and/or provide the following:
- i. **Monthly Eligibility Information:** Within twenty (20) calendar days following the Addendum Effective Date and on a monthly basis thereafter, Employer, or its third-party administrator, shall deliver to Teladoc Health a complete list ("Member Eligibility File") of all eligible Employees in a format approved by Teladoc Health ("Member Information"). Employer understands it is the Employer's responsibility to secure Teladoc Health access to use such Member Information as set forth herein. Employer represents and warrants that it is authorized by Members to provide Member Information to Teladoc Health, and allow Teladoc Health to use the Member Information as follows: (i) pre-populate the Mental Health Complete Services enrollment system; (ii) assist Employer in marketing the Mental Health Complete Services to Members; and (iii) report to Employer to the extent set forth in this Addendum.
 - ii. In relation to Communications & Member Engagement, Employer shall provide the approved description of the Mental Health Complete Services to Employees; cooperate with Teladoc Health in implementing the Mental Health

- Complete Services; provide consistent contextual placement of content and messaging related to the Mental Health Complete Services across all appropriate Employee touch-points (e.g. Employee Benefits Portal, Direct Outreach, Open Enrollment, Newsletters, etc...). Provide Teladoc Health with timely and accurate contact information for Employees including: name(first, last, middle initial, mailing address, email address and phone number.
- iii. If Employer subsequently requests a modification to their method of delivering the Member Eligibility File or Member Enrollment File, Teladoc Health may charge the Employer an additional fee of two hundred twenty-five dollars (\$225) per hour, times that number of hours necessary to effect such modification.

IV. Mental Health Complete Services Fees

- A. "PEPM" means "Per Employee Per Month," which the Parties recognize as a common term in the health care industry. For purposes of this Addendum, PEPM is defined as the applicable rate paid by Employer to Teladoc Health for each Employee eligible to enroll in the Mental Health Complete Services each month.
- B. **Fees.** Employer agrees to pay Teladoc Health the following fees in connection with the Mental Health Complete Services.
1. **Mental Health Complete Services Fees.** Employer agrees to pay Teladoc Health the following fees in connection with the Mental Health Complete Services:
 - i. There will be no additional PEPM Fees charged to the Employer for the Mental Health Complete Services.
 - ii. When accessing MH Care Visits related to the Mental Health Care Services, Participants will be subject to the applicable MH Care Visit Fees or Utilization Target, as set forth in the HealthiestYou Virtual Care Services Exhibit entered into by the Parties.
 2. The fee(s) for Mental Health Complete Services are based on approximately **100** Employees in the Eligibility File each month.

V. Other Terms & Conditions

The terms and conditions set forth in the Agreement shall apply to the Mental Health Complete Services in the same manner that such sections apply to the HealthiestYou Virtual Care Services.